ECONOMIC SURVEY

OF

BURMA

1957

Presented in Parliament

by

The Hon'ble Minister of Finance and Revenue

August 27, 1957

1957

SUPERINTENDENT, GOVT. PRINTING AND STATIONERY, UNION OF BURMA
RANGOON

ECONOMIC SURVEY

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PART I

ECONOMIC ACTIVITY IN BURMA, 1956-57

A. PRODUCTION OF GOODS AND SERVICES

1. Gross Domestic Product at Current Prices

The Gross Domestic Product which is the sum total of the nation's output of goods and services has been steadily increasing since 1954-55. The growth of the Gross Domestic Product in current prices faltered somewhat between 1952-53 and 1953-54. The absence of growth between these two fiscal years was mainly due to lower than normal yields from agriculture and a lower value of exports due to the external market situation reflected in the State Marketing Sector. Production in the minerals sector was also low. In response to this temporary setback, the Government had formulated and implemented vigorous policies for increasing real output and volume of exports. The Gross Domestic Product in 1956-57 at current prices is estimated to be at K 5,244 millions or 14 percent higher than in 1953-54.

Table 1.—Gross Domestic Product

At Current Prices

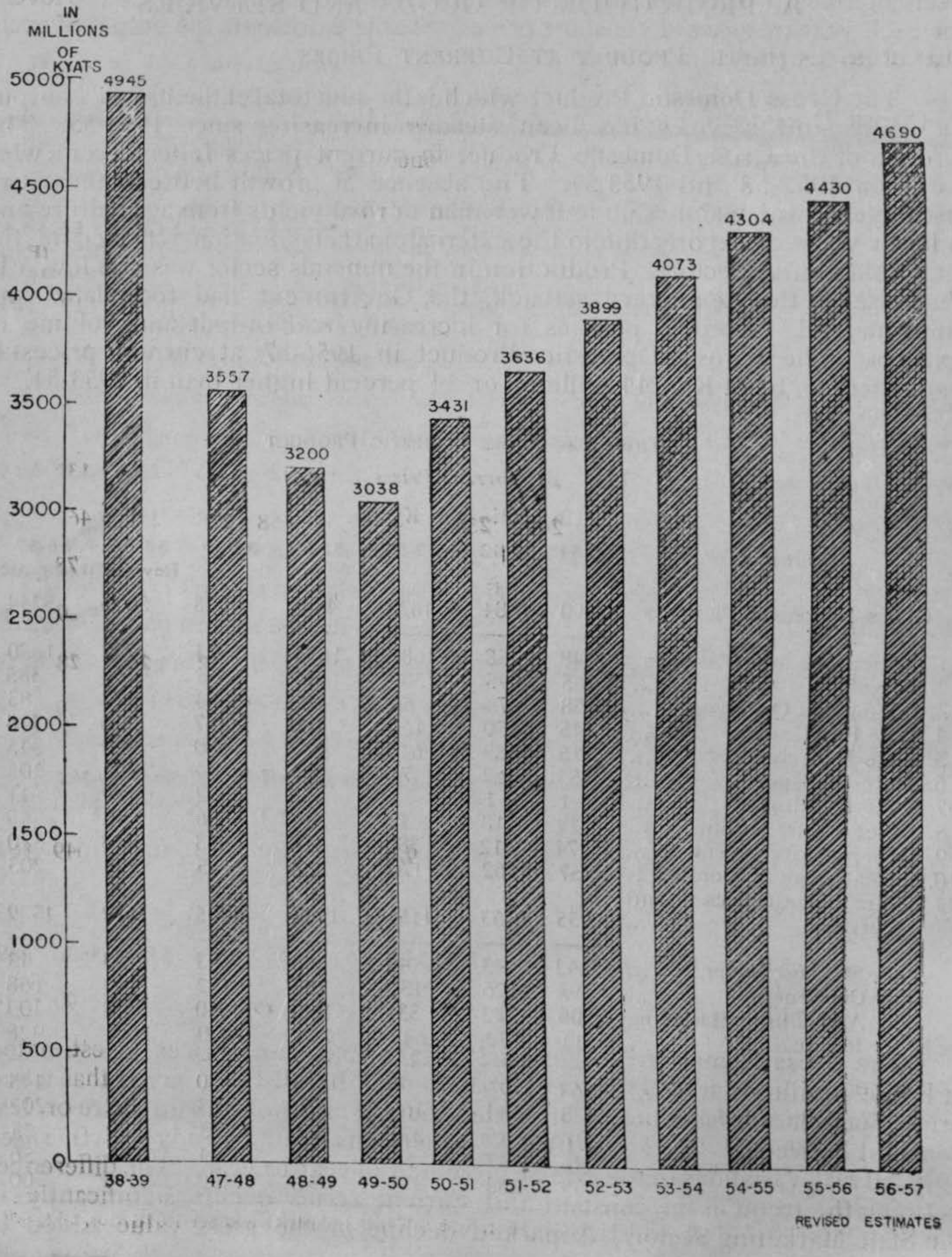
(In Millions of Kyats)

Industry	50-51	51-52	52-53	53-54	54-55	55-56 Revised	56-57 (Estimates)
Gross Domestic Product	3690	4084	4620	4593	4808	5025	5244
1. Agriculture and Fisheries	1448	1558	1682	1654	1673	1728	1830
2. Forestry	265	295	308	340	348	352	385
3. Mining and Quarrying ...	58	74	63	49	73	77	83
4. Rice Processing ...	145	150	166	160	167	170	178
5. State Marketing ...	315	389	610	429	340	300	345
6. State Transport ...	53	62	71	83	96	95	105
7. State Banking ...	1	1	1	2	2	9	11
8. Other Public Utilities ...	19	18	18	30*	36*	40*	45
9. General Government ...	274	312	380	416	453	488	520
10. Rental value of Housing ...	157	162	170	177	185	194	203
11. Other Industries and Services	955	1063	1151	1253	1435	1572	1539
a. Salt and Ngapi ...	43	43	43	43	43	43	43
b. Construction ...	95	126	132	165	172	160	168
c. Agricultural Marketing	306	322	331	340	350	368	400
d. Residual ...	511	572	645	705	870	1001	928
1. Industry ...	64	79	96	113	130	129	145
2. Cottage Industry ...	128	144	165	176	183	192	202
3. Services ...	18	19	20	22	23	25	25
4. Miscellaneous ...	46	47	50	53	54	55	56
5. Trade ...	255	283	314	341	480	600	500

* Includes, R.E.S.B. which in former years was in Other Industries and Services Sector.

CHART NO. I

GROSS DOMESTIC PRODUCT AT CONSTANT PRICES



The data in the above table are calculated in prices prevailing during each year. This is sufficient if we are studying the changes over a few years during which no large price fluctuations have occurred. As it is desirable to compare the present situation *vis-à-vis* pre-war and also because there has been significant price fluctuations recently, it is necessary to express the levels for each year in terms of constant prices. Table 2 presents the output of each year at prices prevailing during 1947-48.

2. Gross Domestic Product at Constant Prices

Table 2.—Gross Domestic Product in 1947-48 Prices

(In Millions of Kyats)

Industry	38-39	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55	55-56 Re-vised	56-57 (Estimates)
1. Agriculture and Fisheries ...	1907	1451	1366	1220	1351	1440	1537	1521	1577	1617	1699
2. Forestry ...	360	273	202	191	238	266	276	319	333	333	350
3. Mining and Quarrying ...	273	29	14	21	30	34	36	49	60	66	75
4. Rice Processing ...	182	125	119	106	112	119	129	125	129	131	136
5. State Marketing ...	633	286	248	236	288	248	258	278	381	465	518
6. State Transport ...	117	62	19	24	43	48	56	68	79	78	84
7. State Banking ...	...	1	1	1	1	1	1	1	2	9	11
8. Other Public Utilities.	31	13	9	9	11	10	11	22	26	28	32
9. General Government.	153	230	218	243	279	314	376	412	435	460	490
10. Rental Value of Housing ...	165	151	153	153	157	162	170	177	185	194	203
11. Other Industries and Services ...	124	936	851	834	921	994	1049	1101	1097	1049	1092
12. Gross Domestic Product—											
a. Million Kyats	4945	3557	3200	3038	3431	3636	3899	4073	4304	4430	4690
b. Index (1938-39=100) ...	100	72	65	61	69	74	79	82	87	90	95

The Gross Domestic Product in 1956-57 in constant prices is estimated at K 4,690 millions or at 95 percent of 1938-39. It will be observed that when price fluctuations have been eliminated, output did not remain more or less constant between 1952-53 and 1953-54 ; there has been a steady growth since 1949-50 with variations in the rate of growth from year to year. The differences between the trend in the constant and current series occurs significantly in the State Marketing Sector. A marked decline in the gross value added to

output occurred between 1952-53 and 1953-54 in current prices. But in constant prices no decline occurs but an increase takes place. This reflects the price slump in the rice market whereas the offtake in volume does not decline. The volume of exports in 1952-53 and 1953-54 were 1,216,000 tons and 1,268,000 tons respectively. The slump during 1953-54 in the world market for minerals has also affected the Mining and Quarrying Sector. Physical exports has not declined but value added in current prices decreased. Hence the retardation of the growth of the Gross Domestic Product in current prices but an uninterrupted increase although at a slower rate in constant prices between the years 1952-53 and 1953-54. Between the years 1953-54 and 1954-55 the Gross Domestic Product in constant prices increased from 82 percent to 87 percent of 1938-39. In the year 1955-56 however the rate of growth was again retarded. During that year large scale industry mainly sponsored by the State went through a period of readjustment and rationalisation. The output in the trade and construction also declined. These factors account for the decline in the "Other Industries and Services" sector which was mainly responsible for the decline in the rate of growth during the year.

It is estimated that the Gross Domestic Product in constant prices will be K 4,687 millions in 1956-57. This amounts to an increase of 6 percent as against the increase of 3 percent from 1954-55 to 1955-56.

The greatest increase is recorded in the agricultural sector. Increases were registered for paddy as well as for other crops. Timber production has also been higher than in 1955-56. There has been a remarkable increase in timber operations by the private sector. Corresponding increases are also recorded for those industries related to primary production, that is, Processing and Marketing. Activity in the State Transportation and Public Utilities have also been steadily increasing.

The sector termed "other industries and services" whose output declined in 1955-56 is expected to show an increase in 1956-57. The relaxation of the very firm control exercised over government industry, construction in general and the volume of imports during 1955-56 is the main reason for this increase.

B. THE USE OF RESOURCES

In 1956-57 it is estimated that the value of the goods and services used in the country would be about 1 percent greater than domestic production, This is made possible by a Foreign Trade deficit of K 70 millions.

Table 3.—THE USE OF RESOURCES

A. *Data in Millions of Kyats*

	50-51	51-52	52-53	53-54	54-55	55-56	56-57 (Estimates)
Available for Use in Burma							
Gross Domestic Product ...	3690	4084	4620	4593	4808	5025	5244
Less: Foreign Trade Surplus	228	222	288	−102	32	137	−70
Goods and Services used in Burma	3462	3862	4332	4695	4776	4888	5314
Expenditure in Burma							
Current Government Expenditure	318	395	525	698	638	642	750
Capital Formation (Public and Private)	476	743	876	1011	1009	930	1010
Consumer Expenditures ...	2668	2724	2931	2986	3129	3316	3554
Total in Burma ...	3462	3862	4332	4695	4776	4888	5314

B. *Data as Percent of Gross Domestic Product*

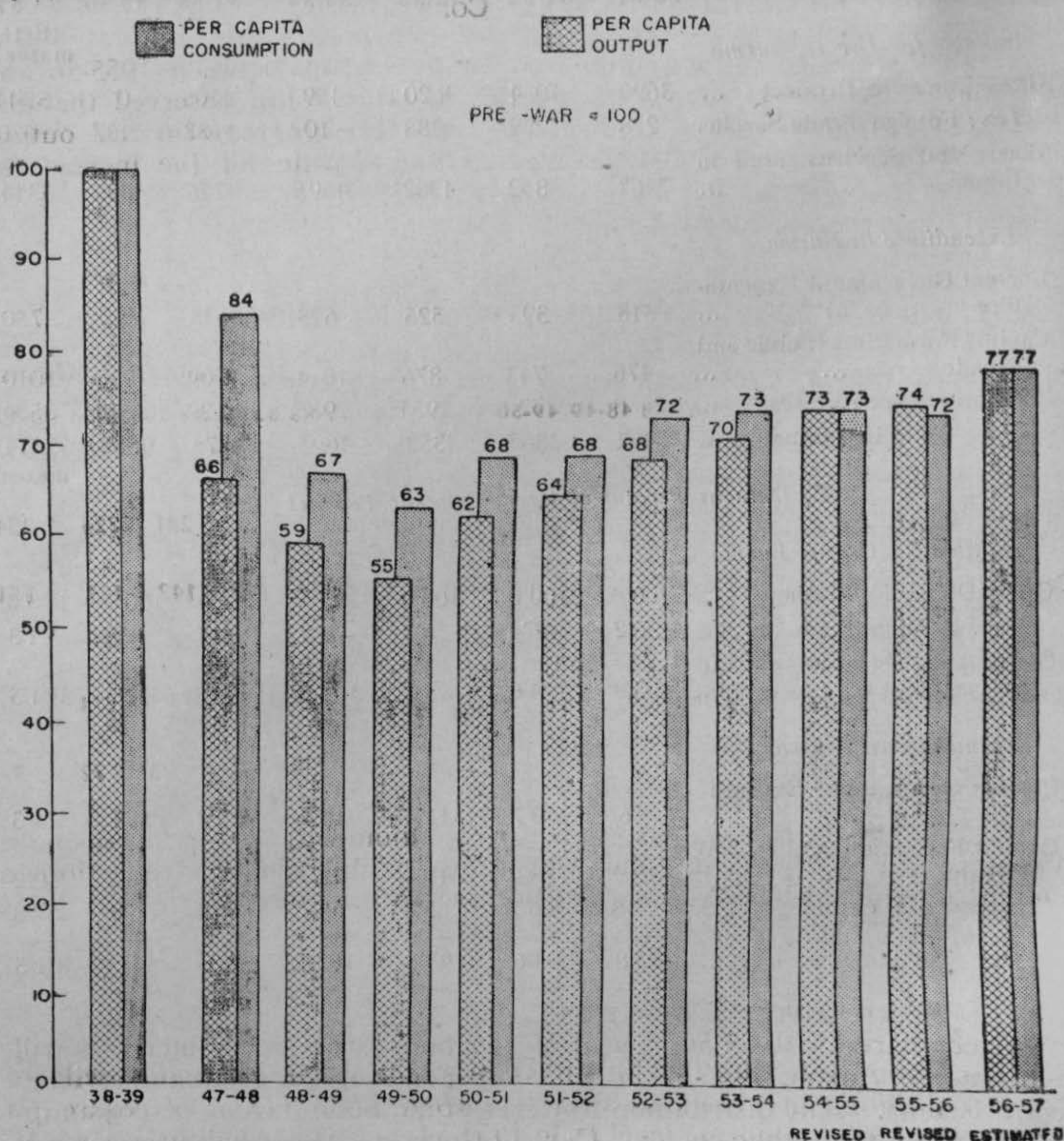
	50-51	51-52	52-53	53-54	54-55	55-56	56-57 (Estimates)
Available for Use in Burma							
Gross Domestic Product ...	100·0	100·0	100·0	100·0	100·0	100·0	100·0
Less: Foreign Trade Surplus	6·2	5·4	6·2	−2·2	0·7	2·7	−1·3
Goods and Services used in Burma	93·8	94·6	93·8	102·2	99·3	97·3	101·3
Expenditure in Burma							
Current Government Expenditure	8·6	9·7	11·4	15·2	13·2	12·8	14·3
Capital Formation (Public and Private)	12·9	18·2	19·0	22·0	21·0	18·5	19·2
Consumer Expenditures ...	72·3	66·7	63·4	65·0	65·1	66·0	67·8
Total in Burma ...	93·8	94·6	93·8	102·2	99·3	97·3	101·3

As compared to 1955-56—a year of economic stringency—increases will be registered during 1956-57 in all components of the goods and services used in Burma. The distribution however would be in favour of consumption, especially the public sector. Current Government expenditures some of

CHART NO. 2

CONSUMPTION AND OUTPUT PER CAPITA

BOTH CONSUMPTION AND OUTPUT INCREASE IN 1956-57



which are spent on basic governmental functions such as the maintenance of the peace or the dispensation of justice and others for development and welfare purposes were firmly controlled during 1955-56. This year the pressure on current disbursements were relaxed. Consumer expenditures are also higher due to increased output and imports.

Capital formation both public and private in 1956-57 will be K 1,010 millions or about 19 percent of the value of the total goods and services used in Burma.

1. Level of Per Capita Output and Consumption

Output *per capita* which increased by 4 percent between 1955-56 and 1956-57 is the highest increase since 1952-53. It will be observed that the increase in *per capita* output is lower than the rate of increase in real output for the whole nation as an allowance has to be made for the increase in population.

Table 4.—Per Capita Output and Consumption

In 1947-48 Prices (Kyats)

	38-39	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55	55-56	56-57 (Estimates)
Gross Output *Per Capita*	302	200	178	166	186	194	205	212	221	224	234
Consumption *Per Capita*	195	163	130	122	133	132	140	142	142	141	151
(Index : 1938-39 = 100)											
Gross Output *Per Capita*	100	66	59	55	62	64	68	70	73	74	77
Consumption *Per Capita*	100	84	67	63	68	68	72	73	73	72	77

Against the 4 percent increase of *per capita* output, *per capita* consumption increased by 7 percent. This was made possible through reduction in lending abroad and by increasing net borrowing from abroad.

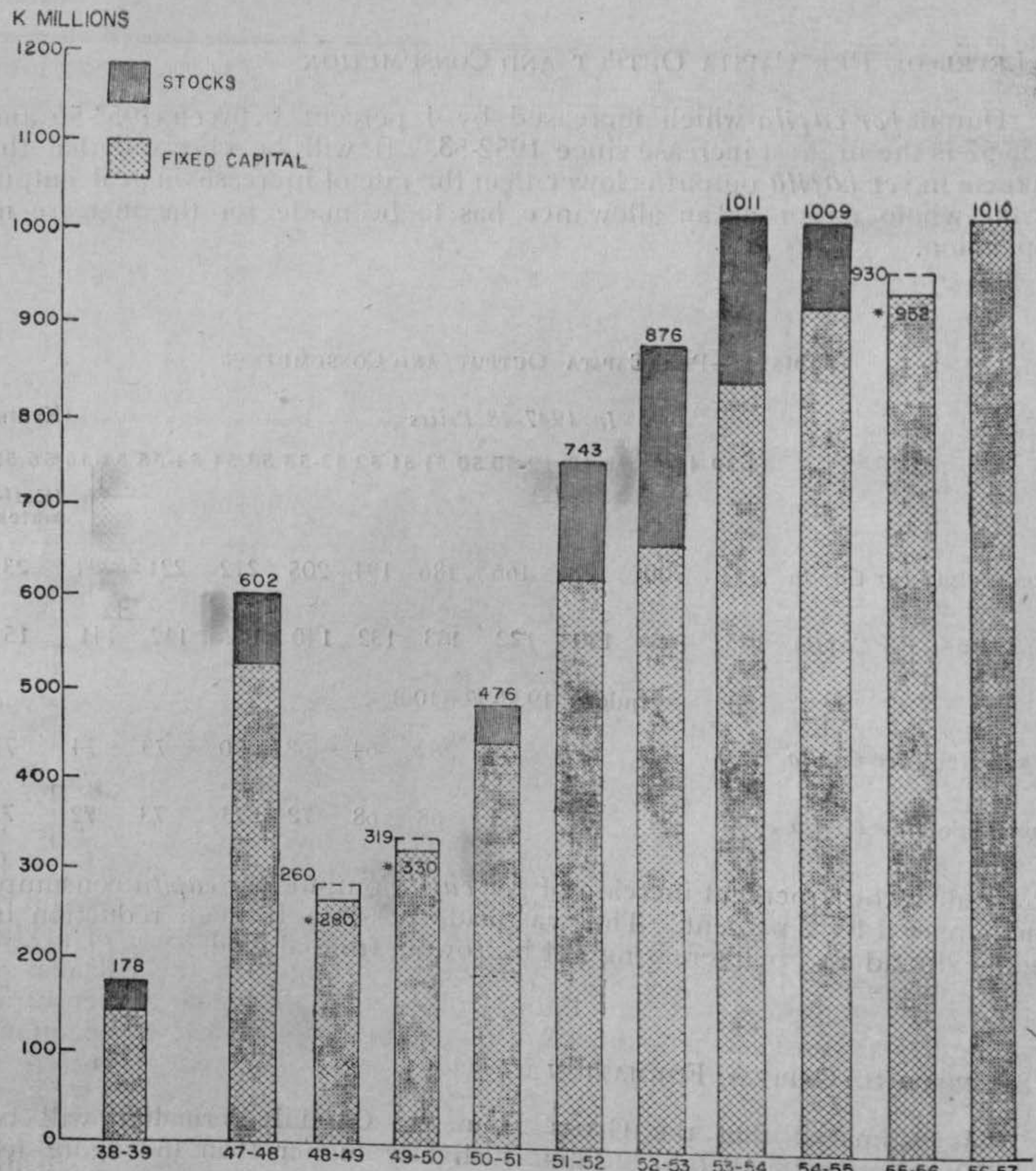
2. Savings and Capital Formation

It is estimated that the Gross Domestic Capital Formation will be K 1,010 millions in 1956-57. This is slightly higher than the figure for 1955-56 and about the same level as in 1953-54.

CHART NO. 3

GROSS DOMESTIC CAPITAL FORMATION

FIXED CAPITAL FORMATION WILL INCREASE SLIGHTLY



*TOTAL LESS THAN FIXED CAPITAL DUE TO DECREASE IN STOCKS

ESTIMATED

Table 5.—DOMESTIC CAPITAL FORMATION

(In Millions of kyats)

	38-39	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55	55-56	56-57 (Estimates)
Fixed Capital Formation	147	525	280	330	431	610	652	833	906	952	1010
Public ...	25	91	84	91	133	226	259	435	562	471	495
Private ...	122	434	196	239	298	384	393	398	344	481	515
Increase in Stocks ...	31	77	−20	−11	45	133	224	178	103	−22	...
Public ...	0	15	−35	−63	44	72	223	172	37	−18	...
Private ...	31	62	15	52	1	61	1	6	66	−4	...
Total Domestic Capital Formation ...	178	602	260	319	476	743	876	1011	1009	930	1010
Less : Estimated Depreciation ...	81	205	205	213	228	245	255	269	280	290	305
Net Domestic Capital Formation ...	97	397	55	106	248	498	621	742	729	640	705
Less : Stock Changes	31	77	−20	−11	45	133	224	178	103	−22	...
Net Fixed Capital Formation ...	66	320	75	117	203	365	397	564	626	662	705

Fixed capital formation will be K 1,010 millions—an increase of about K 60 millions over 1955-56. There will be no changes in the balance of stocks held by the public sector. Stock holdings by the State Agricultural Marketing Board indicate a decline but the decline is expected to be offset by increases in the holdings of other agencies.

The size of fixed investment in the private sector will remain at about the level for 1955-56. But an important change has observed in its composition. There is an increase in the proportion invested in the industry as compared to other fields.

Table 6.—THE FINANCING OF INVESTMENT

(In Millions of kyats)

	38-39	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55	55-56	56-57 (Estimates)
Depreciation Allowances	81	205	205	213	228	245	255	269	280	290	305
Net Private Saving ...	226	−97	204	110	177	359	481	470	583	671	545
Net Saving of Government and Public Enterprises ...	37	270	106	152	291	356	430	178	177	94	75
Total Gross Saving ...	344	378	515	475	696	960	1166	917	1040	1055	925
Uses of Saving :											
Domestic Capital Formation ...	178	602	260	319	476	743	876	1011	1009	930	1010
Surplus abroad on current account	166	−224	255	156	220	217	−290	−94	31	125	-85

Total domestic capital formation of K 1,010 millions was financed partly out of savings of K 925 millions at home and a deficit of K 85 millions on the amount abroad.

C. PRODUCTION BY MAJOR SECTORS OF THE ECONOMY

1. AGRICULTURE

The index of acreage and of production are estimated to be 88 percent and 89 percent respectively of pre-war in 1956-57. They represent new post-war peaks and reflect the continued efforts of the Government at pacification and agricultural uplift. Furthermore, the weather, in its net effects, has been kind. As compared to 1955-56 there has been increases in the number of acres sown except in the case of cotton. The production of cotton lint is also down by 10 percent. Groundnut is the only other crop which indicates any sign of a decline in output. A fact of major significance however is that the yield per acre for paddy is 7 percent higher than the pre-war average.

Table 7.—SOWN ACREAGE

A. *In Thousands of Acres.*

Crop	36-37 to 40-41 Average	1954-55	1955-56 Revised	1956-57 Estimates
Total ...	*19,167*	*16,377*	*16,537*	*16,858*
1. Paddy	12,832	10,161	10,263	10,385
2. Groundnut	808	779	821	855
3. Sesamum	1,401	1,402	1,421	1,466
4. Cotton	453	370	422	399
5. Pulses	1,329	1,137	1,049	1,127
6. Sugarcane	64	57	66	75
7. Millet	475	560	560	580
8. All Other Crops	1,805	1,911	1,935	1,971

B. *As Percentage of Pre-war Average.*

Crop	36-37 to 40-41 Average	1954-55	1955-56 Revised	1956-57 Estimates
Total ...	*100*	*85*	*86*	*88*
1. Paddy	100	79	80	81
2. Groundnut	100	96	102	106
3. Sesamum	100	100	101	105
4. Cotton	100	82	93	88
5. Pulses	100	86	79	85
6. Sugarcane	100	89	103	117
7. Millet	100	118	118	122
8. All Other Crops	100	106	107	109

Paddy.—Paddy production in 1956-57 is estimated to be 6,362,000 tons compared to 5,776,000 tons in 1955-56. For the first time in the post-war period output per acre is higher than pre-war by 7 percent.

Early rains were responsible for the increase of 102,000 acres in sown acreage to 10,385,000 acres. Sowing in Lower Burma in 1956-57 was lower than that for 1955-56 but this decline is more than offset by the increases in Upper Burma.

Nearly 400,000 acres of the sown area were destroyed by floods, rats, pests, etc., leaving 9,985,000 acres of harvested area.

Table 8.—PADDY YIELDS PER ACRE

	36-37 to 40-41 Average	1953-54	1954-55	1955-56	1956-57
Baskets Per Acre	28·17	25·91	27·36	27·41	30·17
Pounds Per Acre	1,296	1,192	1,259	1,261	1,388
Percentage of Pre-war Average ...	100	92	97	97	107

Sesamum.—Sesamum production showed a substantial increase both in acreage and outturn. Attractive prices and favourable weather at the commencement of the season were responsible for the increase in the sown area. The sown area for both the early and late sesamum, according to the final forecast of the Land Records Department, was estimated at 1,466,000 acres in 1956-57 as against 1,421,000 acres in 1955-56. Towards the end of the season however, about one third of the sown area was destroyed by bad weather and pests. Nevertheless a record production of 55,000 tons was achieved. Output is up by 22 percent from pre-war.

Groundnut.—The 855,000 acres sown with groundnut in 1956-57, represents so far, a post-war peak. This acreage is only about 4 percent lower than the all-time record of 895,000 acres sown in 1937-38. Attractive prices and the grow-more-groundnut campaign of the Land and Rural Development Corporation has a large influence in bringing about this increase of 34,000 acres over 1955-56.

Inclement weather and pests destroyed 42,000 acres leaving a net increase of 16,000 acres to be harvested in 1956-57. The output in 1956-57 is however estimated to be only 195,000 tons in the husk as compared to 204,000 tons produced last year.

This is due to the weather at harvest and continued soil deterioration in Magwe, Pakôkku and Myingyan—the three major groundnut producing districts. It is reported that the Land and Rural Development Corporation is taking action to improve soil conditions.

Cotton.—The production of cotton lint in 1956-57 is estimated to be only 15,600 tons as against 18,000 tons for last year. Matured area as well as yield per acre declined because of heavy late rains. Heavy rainfall during the sowing season and the substitution of oilseeds and pulses for cotton in some areas of the Myingyan, Shwebo, Meiktila and Sagaing districts were instrumental for the decline in the sown area.

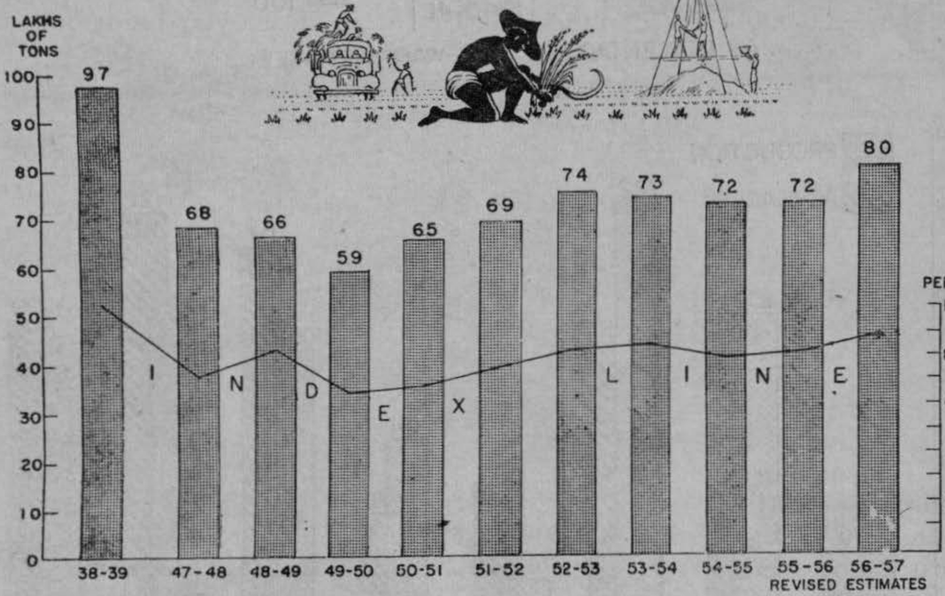
CHART NO. 4

TOTAL AGRICULTURAL PRODUCTION AND ACREAGE

THE TOTAL AGRICULTURAL PRODUCTION AND ACREAGE WILL INCREASE IN 1956-57

PRE-WAR AVERAGE {1936-37 / 1940-41} 100

AGRICULTURAL PRODUCTION



AGRICULTURAL ACREAGE

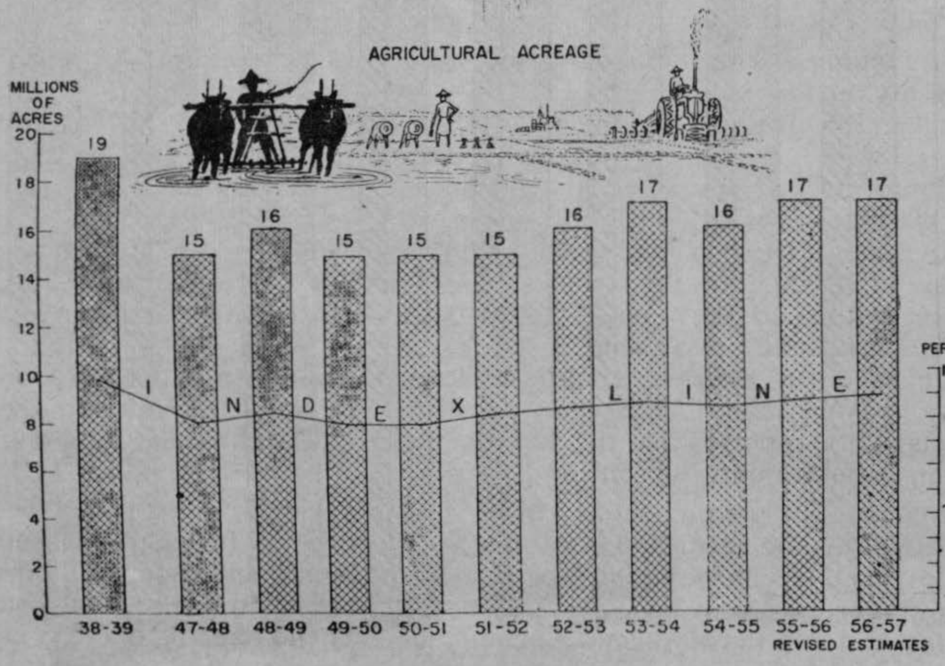


CHART NO. 5

INDEX OF AGRICULTURAL PRODUCTION AND ACREAGE DURING 1956-57 FOR SELECTED CROPS

PRODUCTION AND ACREAGE OF PADDY IN 1956-57 WILL INCREASE SLIGHTLY

PRE-WAR AVERAGE {1936-37 — 1940-41} = 100

AS PERCENTAGE OF PRE-WAR AVERAGES

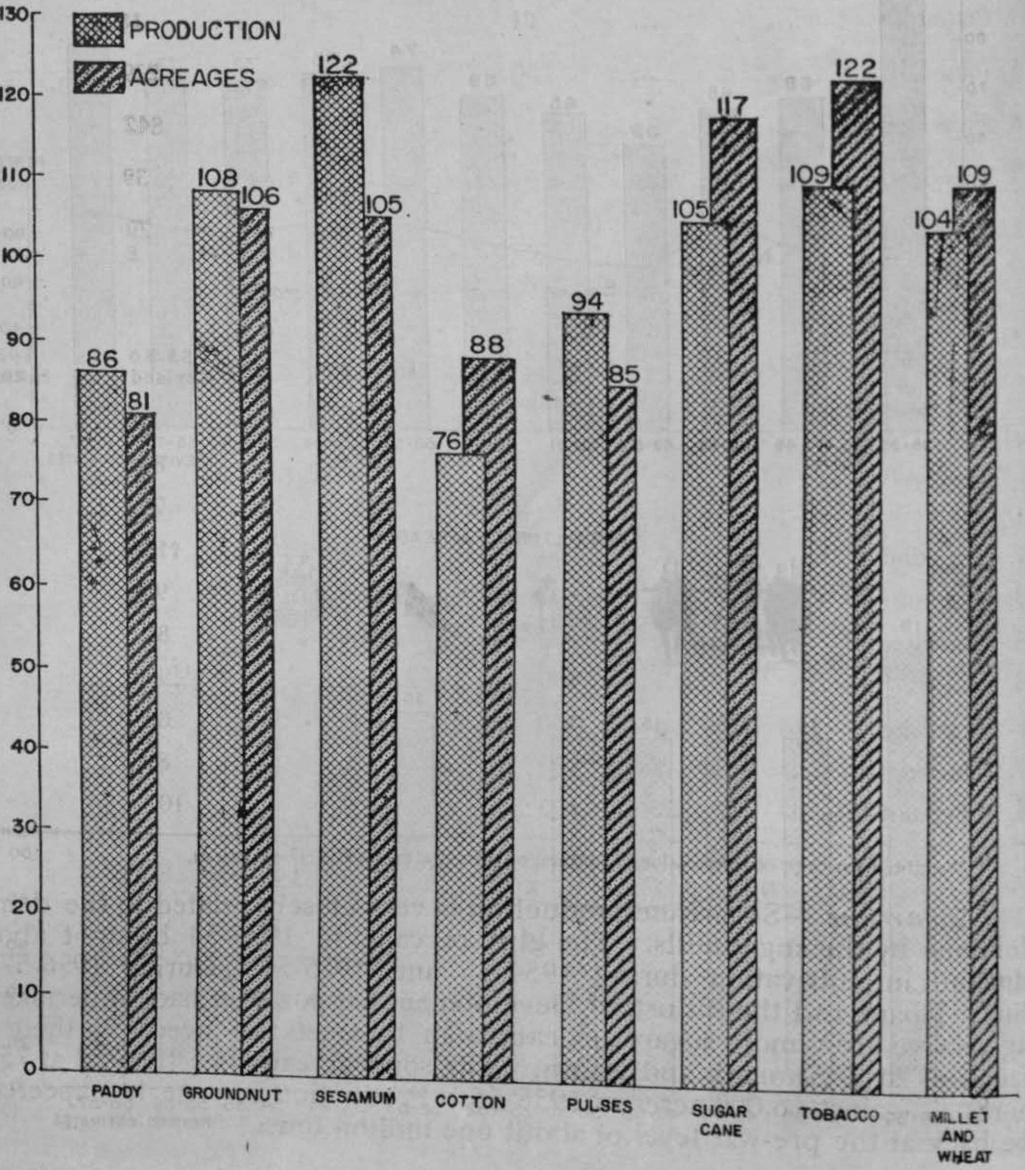


Table 9.—Agricultural Production

A. *In Thousands of Tons*

Crop	36-37 to 40-41 Average	1954-55	1955-56 Revised	1956-57 Estimates
1. Paddy	7,426	5,712	5,776	6,362
2. Groundnut	181	154	204	195
3. Sesamum	45	36	44	55
4. Cotton	21	23	18	16
5. Pulses	250	198	229	235
6. Sugarcane	1,000	902	842	1,050
7. Tobacco	44	46	39	48
8. Millet and Wheat ...	78	76	79	81

B. *As Percentage of Pre-war Average*

	36-37 to 40-41 Average	1954-55	1955-56 Revised	1956-57 Estimates
Index of total Agricultural Production *	100	79	81	89
1. Paddy	100	77	78	86
2. Groundnut	100	85	113	108
3. Sesamum	100	80	98	122
4. Cotton	100	109	86	76
5. Pulses	100	78	92	94
6. Sugarcane	100	90	84	105
7. Tobacco	100	105	89	109
8. Millet and Wheat ...	100	109	101	104

* Weighted average of gross value of outturn of principal crops at 1947-48 prices.

Sugarcane.—Sugarcane production is very closely related to the demand for cane by the sugar mills. The glut of cane in 1953-54 brought about a decline in cultivation during 1954-55 and 1955-56. During 1956-57 the Sugar Board and the Industrial Development Corporation had undertaken an aggressive grow-more-sugarcane campaign to meet the needs of their new factories at Pyinmana and Namti. The sown acreage is estimated at 75,000 acres as against 66,000 acres in 1955-56. Production of cane is expected to be back at the pre-war level of about one million tons.

Jute.—It is reported by the Land and Rural Development Corporation that a maximum of 10,000 acres of land will be sown to jute in 1957.

Tobacco.—The production of all types of tobacco in 1955-56 was 39,000 tons. Production in 1956-57 is estimated to have returned to the 1954-55 level or about 48,000 tons. Latest estimates from the Land and Rural Development Corporation show 4,000 acres of land cultivated with Virginia tobacco as against 3,500 acres in 1955-56. Production of cured Virginia tobacco has been steadily increasing—150 tons in 1953-54, 560 tons in 1954-55, 880 tons in 1955-56 and 1,100 tons in 1956-57. This programme which is scheduled to supply all of the Union's requirements for cigarette tobacco by 1958 is now producing 57 percent of the local requirements.

Others.—In 1956-57 the production of millet, wheat, tea, coffee, onions and pulses are expected to increase slightly.

Plough Cattle.—The plough cattle population in the country has been rising steadily and the population in 1957 is expected to be 3,360 thousand against 3,307 thousand in 1956. The 1957 figure is 95 percent of the pre-war population and at this rate of growth, the plough cattle population is expected to reach pre-war number by 1960.

Table 10.—NUMBER OF PLOUGH CATTLE RECORDED IN MARCH COUNTS

(In Thousands)

	36-37 to 40-41 Average	1954	1955 (Revised)	1956 (Revised)	1957 (Estimates)
Oxen: bulls and bullocks ...	2,794	2,604	2,627	2,658	2,697
Buffaloes: bulls, and bullocks and cows	760	625	644	649	663
Total ...	3,554	3,229	3,271	3,307	3,360
Percentage of pre-war average ...	100	91	92	93	95

2. FORESTRY

The value added by the Forestry Sector is expected to reach a new post-war peak in 1956-57. The major contribution to this trend is due to the improvement of security conditions in the forest area. This had meant that girdling, felling and similar activities at all stages of timber extraction could be undertaken more intensively and efficiently.

In 1956-57 total teak output is expected to increase by 54 percent over 1955-56, and the production of hardwoods other than teak has been estimated to have increased to 522,587 tons from 516,230 tons. The 1956-57 totals and the estimates for 1957-58 with past comparisons are shown below.

CHART NO. 6

PRODUCTION OF TIMBER

THOUSANDS OF CUBIC TONS

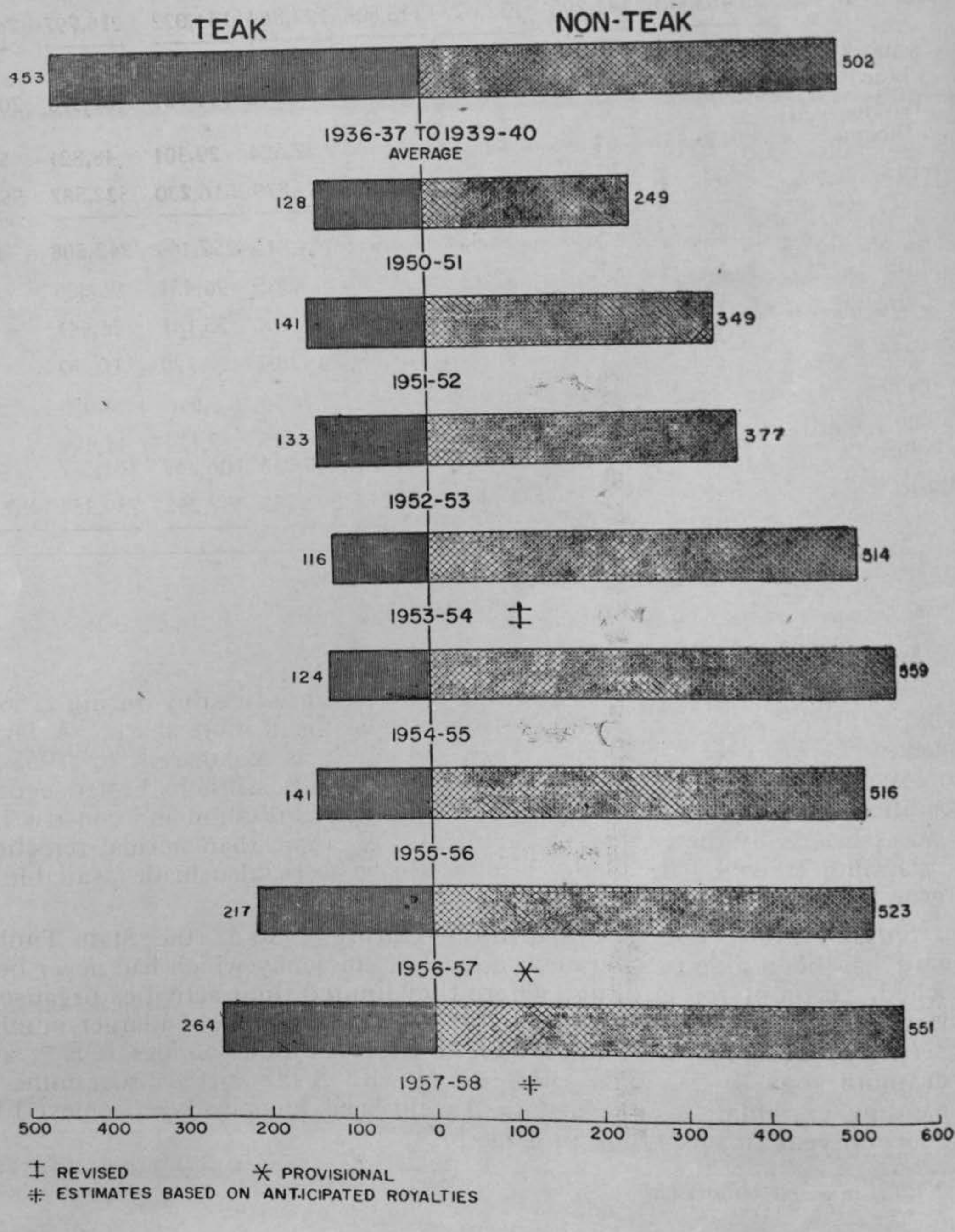


Table 11.— PRODUCTION OF TIMBER §

(In cubic tons of round logs)

Type of Wood	36-37 to 39-40 Average	1951-52	1952-53	1953-54	1954-55	1955-56	1956 57*	1957-58†
Teak ...	453,481	141,295	132,673	115,808	123,864	141,022	216,797	264,487
State Timber Board ...	...	78,200	60,359	87,347	96,240	111,721	167,976	205,073
Private and Others‡ ...	453,481	63,095	72,314	28,461	27,624	29,301	48,821	59,414
Total non-teak	501,866	348,520	377,276	514,466	558,879	516,230	522,587	551,317
In-Kanyin ...	176,712	181,184	138,563	216,107	244,815	257,169	242,508	n.a.
Pyinkado ...	117,823	43,575	67,115	109,230	113,265	96,431	96,305	,,
Thitya-Ingyin	24,574	17,089	29,702	29,836	45,361	35,181	26,441	,,
Padauk ...	6,714	11,104	11,637	10,253	14,904	7,720	10,287	,,
Pyinma ...	7,437	1,820	2,444	5,648	4,056	5,986	3,930	,,
Matchwood	168,606	93,748	7,388	12,925	8,425	7,174	11,499	,,
Other Timber			120,427	130,467	128,053	106,569	131,587	,,
GRAND TOTAL	955,347	489,815	509,949	630,274	682,743	657,252	739,384	815,804

* Provisional.
† Estimates based on anticipated royalties.
‡ Includes small amounts extracted by the Forest Department.
§ Measured at royalty collecting stations.
n.a. - Not available.

State Timber Board operations have increased noticeably during 1956-57 but the rate of increase in the private sector has been more sharp. A larger quantity of non-teak has also been extracted as compared to 1955-56. Increased activities by the private sector had been possible by better security conditions, clearance of dragging paths, and rehabilitation and construction of access roads by the Forest Department. A larger than normal rejections of standing trees by the State Timber Board were also made available to private traders.

State Timber Board Operations.—During 1956-57 the State Timber Board has been able to operate at a level of efficiency which had never been reached. Except for girdling, where they limited their activities because of silvicultural reasons, the Board was able to put into the field a larger number of security forces, fell more trees, have a larger number of logs ICE *, and float more logs to the mills. Beginning with 1955-56 the programme of expanding exploitation on a sustained yield basis has also been achieved for the second year in succession in 1956-57.

* ICE. In course of extraction.

Table 12.—STATE TIMBER BOARD TEAK OPERATIONS

(In cubic tons of round logs)

Season June 1—May 31		*Trees Felled*	*Outturn to Main River Depôts*	*Arrival at Milling Stations*
1950-51	...	79,722	40,373	72,071
1951-52	...	61,999	59,373	63,762
1952-53	...	84,670	81,221	74,202
1953-54	...	69,473	79,871	78,696
1954-55	...	127,996	101,099	84,777
1955-56	...	179,228	97,118	116,470
1956-57[a]	...	196,191	110,633	133,611

a Up to March only.

Girdling and Felling Operations.—An intensive girdling programme was initiated in 1955 and during 1955-56—260,124 trees were girdled. In 1956-57 only 242,252 trees were girdled because of silvicultural, lack of security in certain areas and other reasons. Nevertheless this exceeds the girdling programme for the year by 20,000 trees. During the first ten months of the timber year 117,199 trees were felled and it is estimated that total fellings for the year will reach 120,000. In terms of cubic tons, 196,191 tons were felled during the first ten months of 1956-57.

Table 13.—STATE TIMBER BOARD TEAK GIRDLING AND FELLING OPERATIONS

(Number of trees)

Season June 1—May 31		*Standing girdled at start*	*Girdled during season*	*Felled during season*	*Standing girdled at end*
1950-51	...	719,147	17,136	44,290	691,993
1951-52	...	691,993	28,573	34,444	686,122
1952-53	...	686,122	30,460	47,039	669,543
1953-54	...	669,543	33,595	38,596	664,542
1954-55	...	664,542	69,238	71,109	662,671
1955-56	...	662,671	260,124	99,571	823,224
1956-57	...	823,224	242,252	*117,199	*948,277

* Up to April only.

The Forestry programme has been drawn up with a view to expand exploitation on a sustained yield basis. Beginning with the year 1955-56 girdling has caught up with fellings so that the declining trend in the number of trees standing girdled at the end of the season has been arrested and the trend reversed.

3. Minerals

Petroleum.—During the first half of this fiscal year, 37,000,000 gallons of crude oil was produced. If this trend persists the supply of crude oil for the year will be sufficient to meet the needs of both the Chauk refinery and the new refinery at Syriam. When the Syriam Refinery is operating at full capacity the total demand for crude oil will be about 95 million gallons a year. The Chauk Oilfileds have been developed to meet this need. Fifteen new wells were drilled, 5 deepened and 43 reconditioned in 1956. The total footage drilled was 39,765 feet as against 35,767 feet in 1955. Exploration of new reserves are being undertaken to return to pre-war levels of output and exports.

Table 14.—Production of Petroleum

(In thousands of gallons)

Period	*Crude Oil*	*Motor Spirit*	*Kerosene*	*Other Fuel Oil*
1952-53 ...	31,474	6,836	10,820	6,818
1953-54 ...	44,288	10,006	13,944	8,075
1954-55 ...	52,492	10,656	14,416	8,977
1955-56 ...	60,158	11.369	16,782	9,757
1956-57 (First Half)	37,118	5,989	8,024	4,686

Petroleum Refining.—The Syriam Refinery was opened in March 1957. When this refinery is in full operation, Burma is expected to be self-sufficient in kerosene. The production of fuel oils and motor spirit will also increase by about 7 million and 19 million gallons respectively. That is the production of these products together will be more than doubled. The demand for these products has been increasing due to the increased imports of motor vehicles and boats, increased consumption by the Electricity Supply Board and other Government projects. The impact of the expanded demand was first noted in 1955-56 when consumption of other fuel oils increased by 38 percent from 7 million gallons in 1954-55 to 12·7 million gallons in 1955-56.

Table 15.—Fuel Oil Requirements

(In thousands of gallons)

	Motor Spirit			*Kerosene*			*Other fuel oil*		
	53-54	54-55	55-56	53-54	54-55	55-56	53-54	54-55	55-56
Domestic output ...	10,006	10,656	11,369	13,944	14,416	16,782	8,075	8,977	9,757
Import for consumption	23,251	22,810	23,577	5,850	5,184	6,284	7,954	7,268	12,739
Total Consumption	33,257	33,466	34,946	19,794	19,600	23,066	16,029	16,245	22,496
Domestic output as percent of total ...	30	32	33	70	74	73	51	55	43

Paraffin Wax.—The production of paraffin wax in 1955-56 was about 8,300 tons of which 2,897 tons were exported during the year. All of the quota laid aside for domestic consumption was not utilised and stocks were carried over in to 1956-57. This surplus together with the increase in production enabled the Burma Oil Company to export 2,850 tons during the first half of 1956-57 as against 600 tons in the corresponding period of 1955-56.

Table 16.—OUTPUT OF MINERALS

Minerals	Unit	1939	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57
Tin Ores and Concentrates ...	Tons	5,441	830	764	862	389*	278
Tungsten Ores and Concentrates ...	,,	4,342	529	535	615	312	257
Mixed Tin and Tungsten ...	,,	5,593	1,274	1,558	1,929	949	1,026
Lead Ores and Concentrates ...	,,	77,180	19,491	27,646	30,189	16,263	14,771
Zinc Concentrates ...	,,	59,347	9,813	13,709	13,417	6,677	7,204
Others [a] ...	,,	37,089	8,231	4,398	4,340	3,156	3,000
Building and Road Materials ...	,,	2,564,441	*415,564	375,400	[b]474,039	*236,061	243,201

[a] Includes iron, manganese copper and nickel.
[b] Improved reporting and better coverage of statistical information.
* Revised.

Other Minerals.—Estimates of output based on data available during the first half of the year, and the progress in the improvement of mines, indicate that production in 1956-57 will exceed 1955-56. The value of exports, however, is expected to be below the 1955-56 level because of the decline in prices.

Table 17.—MINERAL EXPORTS

A. *Quantity of Mineral Exports*

(In thousands)

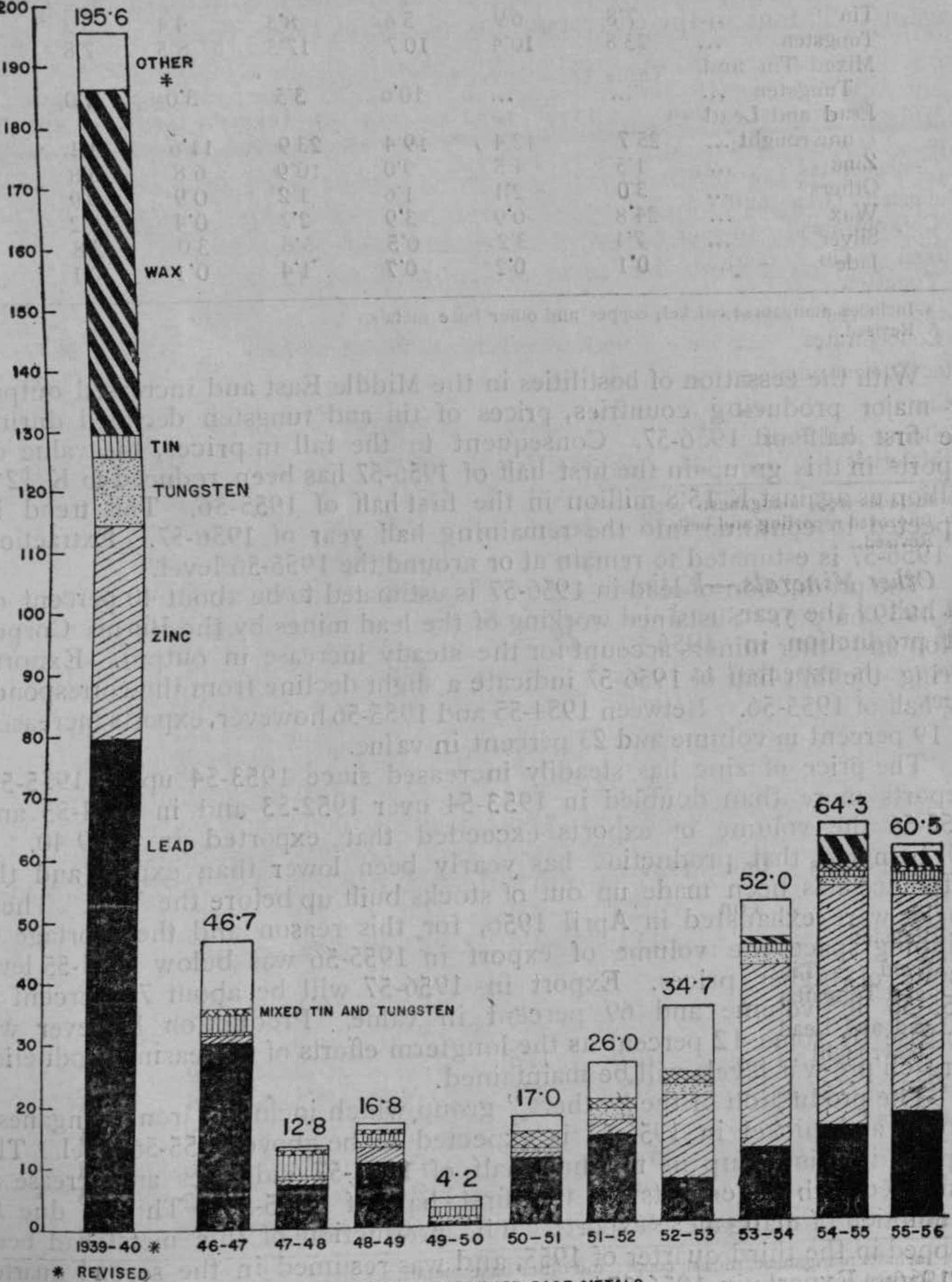
Minerals	Unit	1939-40*	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57
Tin ...	Ton	3·7	1·2	1·0	1·3	0·7	0·5
Tungsten ...	,,	12·1	1·4	1·1	1·5	0·7	0·9
Mixed Tin and Tungsten	,,	...	...	1·2	0·4	0·3	0·2
Lead and Lead unwrought ...	,,	79·6	11·6	15·1	17·6	8·6	7·9
Zinc ...	,,	34·5	30·5	39·4	35·8	22·4	12·8
Others [a] ...	,,	9·5	6·3	2·5	1·0	0·8	1·4
Wax ...	,,	56·2	1·0	4·0	2·9	0·6	2·8
Silver ...	S.oz.	6,194·0	787·3	122·4	1,302·4	702·2	641·2
Jade ...	T. lb.	62·2	56·1	143·0	168·1	0·5	43·0

[a] Includes manganese, nickel, copper and other base metals.
* Revised.

CHART NO.7

QUANTITY OF MINERAL EXPORTS

IN THOUSANDS OF TONS



* REVISED

† INCLUDES MANGANESE, NICKEL, COPPER AND OTHER BASE METALS.

B. *Value of Mineral Exports*

(In Millions of kyats)

Minerals	1939-40*	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57
Tin ...	7·8	6·9	5·6	8·3	4·4	3·3
Tungsten ...	23·8	10·4	10·7	17·3	8·5	7·8
Mixed Tin and Tungsten ...	...	...	10·6	3·5	3·0	1·0
Lead and Lead unwrought ...	25·7	12·4	19·4	23·9	11·6	11·1
Zinc ...	1·5	4·5	9·0	10·9	6·8	3·8
Others[a] ...	3·0	2·1	1·6	1·2	0·9	0·9
Wax ...	24·8	0·9	3·9	2·2	0·4	2·2
Silver ...	7·1	3·2	0·5	5·6	3·0	2·8
Jade ...	0·1	0·2	0·7	1·4	0·1	0·1

a Includes manganese, nickel, copper and other base metals.
* Revised.

With the cessation of hostilities in the Middle East and increased output by major producing countries, prices of tin and tungsten declined during the first half of 1956-57. Consequent to the fall in prices, the value of exports in this group in the first half of 1956-57 has been reduced to K 12·1 million as against K 15·8 million in the first half of 1955-56. This trend is expected to continue into the remaining half year of 1956-57. Extraction in 1956-57 is estimated to remain at or around the 1955-56 level.

The production of lead in 1956-57 is estimated to be about 40 percent of the 1939 output. Sustained working of the lead mines by the Burma Corporation and other miners account for the steady increase in output. Exports during the first half of 1956-57 indicate a slight decline from the corresponding half of 1955-56. Between 1954-55 and 1955-56 however, exports increased by 19 percent in volume and 23 percent in value.

The price of zinc has steadily increased since 1953-54 up till 1955-56. Exports more than doubled in 1953-54 over 1952-53 and in 1954-55 and 1955-56 the volume of exports exceeded that exported in 1939-40. It will be noted that production has yearly been lower than export and the difference has been made up out of stocks built up before the War. These stocks were exhausted in April 1956, for this reason and the shortage of shipping space the volume of export in 1955-56 was below 1954-55 level inspite of higher prices. Export in 1956-57 will be about 70 percent of 1955-56 in volume and 69 percent in value. Production however will increase by some 12 percent as the longterm efforts of increasing production to reach pre-war levels will be maintained.

The production of the "others" group which includes iron, manganese, copper and nickel in 1956-57 is expected to be above 1955-56 level. The exports in this group in the first half of 1956-57 indicates an increase as compared with the exports for the first half of 1955-56. This is due to resumption of manganese exports. The production of this metal had been stopped in the third quarter of 1955, and was resumed in the second quarter of 1956. Exports in 1956-57 is expected to be above the 1955-56 level.

4. INDUSTRIES

Cement.—Cement production during the first half of 1956-57 is at its lowest since 1951-52 when a substantial output was first recorded after the resumption of operations which had been halted because of the War. Cement production reached a peak in 1954-55 when outturn for the year was 97 percent of the annual rated capacity. In 1955-56 production was effected by the shortage of storage facilities and output for the year declined to 82 percent of the rated capacity. During the first half of 1956-57 the factory was closed for one month for maintenance and overhauling. Normal operations were resumed only a month after the overhaul had been completed. There had also been a short supply of natural gas in the first half of 1956-57 and explorations for new sources of supply are being made. Production for the year as a whole is expected to be below the 1955-56 level. Despite the lower level of production the plant will show a small profit for the year.

Table 18.—CEMENT PRODUCTION

(In tons)

Year		*First Half*	*Second Half*	*Total*
1951-52	...	24,706	11,255	35,961
1952-53	...	27,133	17,449	44,582
1953-54	...	25,658	28,252	53,910
1954-55	...	28,650	29,699	58,349
1955-56	...	26,994	22,430	49,424
1956-57	...	17,213	...	...

Sugar.—During 1956-57 sugar milling capacity has more than doubled from about 25,000 tons to 62,500 tons. This is due to the completion of the two new mills, one at Pyinmana with a capacity of 22,500 tons and another at Namti, with 15,000 tons. The Zeyawaddy mill has already procured its full quota of about 223,000 tons of cane and is expected to produce 22,000 tons of sugar during 1956-57. Namti and Pyinmana will produce 3,600 tons and 960 tons or only 25 percent and 5 percent respectively of the rated capacities during the current fiscal year.

Table 19.—SUGAR PRODUCTION

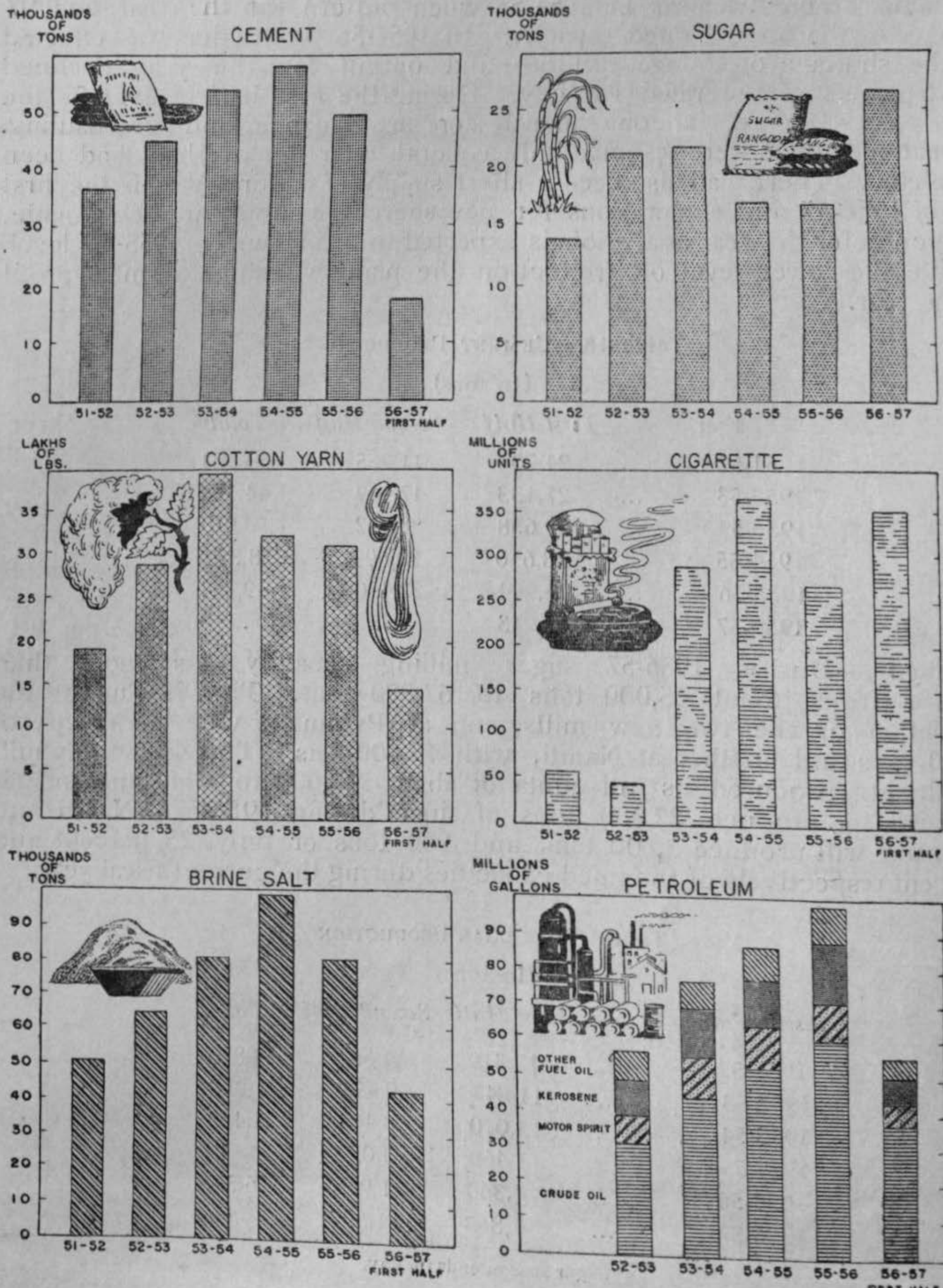
(In tons)

Fiscal Year		*First Half*	*Second Half**	*Total*
1951-52	...	12,319	1,551	13,870
1952-53	...	11,643	9,455	21,098
1953-54	...	13,020	8,443	21,463
1954-55	...	13,460	3,052	16,512
1955-56	...	14,360	1,966	16,326
1956-57	...	14,863	11,697	26,560

* Sugar season ends in May.

CHART NO. 8

PRODUCTION OF SELECTED COMMODITIES



Cotton Yarn.—It is reported that in 1955-56 the farctory has for the first time since its completion, made a profit of K 2·3 lakhs. An increase in the profits is expected in 1956-57. The half-yearly production rate in the first half of 1956-57 was about 1·5 million pounds. Production for the year as a whole is estimated to be at about the 1955-56 level of 3 million pounds.

Table 20.—COTTON YARN PRODUCTION

(In thousands of lbs.)

Year		*First Half*	*Second Half*	*Total*
1951-52	...	935	928	1,863
1952-53	...	1,259	1,581	2,840
1953-54	...	1,906	2,069	3,975
1954-55	...	1,664	1,545	3,209
1955-56	...	1,533	1,541	3,073
1956-57	...	1,480	...	...

Cigarettes.—Cigarette production in the first half of 1956-57 was three times the level of the previous half year or as large as the amount produced for the whole fiscal year 1954-55. A large increase in cigarette production and the reduction of imports of Virginia tobacco in the first half of 1956-57 indicate the increased use of home grown Virginia tobacco.

Since the introduction and enforcement of the 250 percent *ad valorem* custom duty on the imported cigarettes in 1953-54, the cigarette imports have been curtailed. Moreover, a reduction of excise duty from K 5 to K 2 per 100 pieces of locally produced cigarettes in October 1956 has enabled manufacturers to sell at cheaper prices. Consequently local manufacturers who are in a very strong position to compete pricewise with imports have increased production. Current production is very much below the capacity of existing plants and in view of the very favourable market production is expected to increase rapidly.

Table 21.—CIGARETTE PRODUCTION

(In thousand pieces)

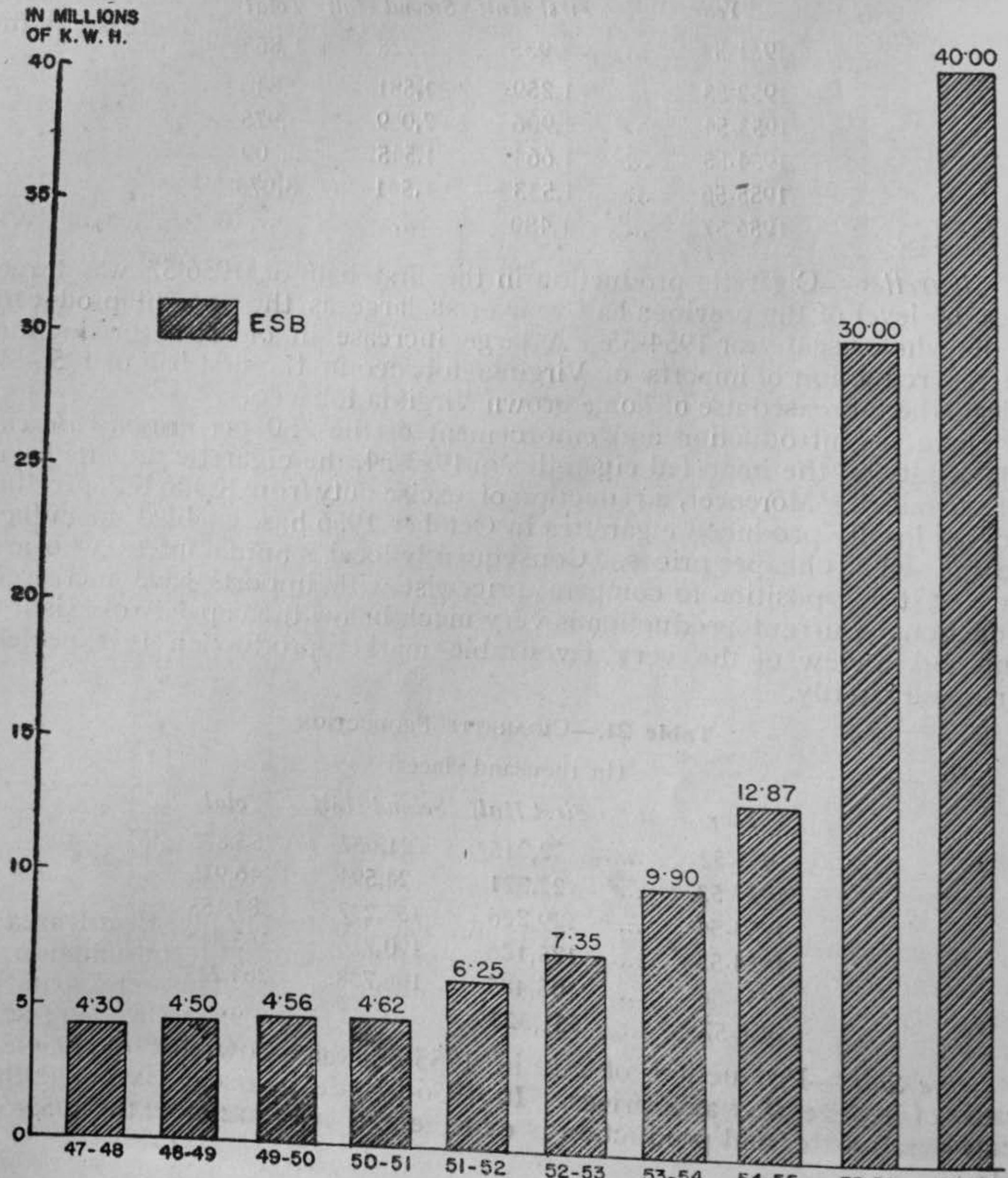
Year		*First Half*	*Second Half*	*Total*
1951-52	...	32,215	21,657	53,872
1952-53	...	22,321	24,594	46,915
1953-54	...	129,228	155,227	284,455
1954-55	...	175,126	190,716	365,842
1955-56	...	105,485	158,738	264,223
1956-57	...	351,323	...	...

Brine Salt.—Production of salt in 1955-56 was below that of 1954-55 because of bad weather and prices. In 1956-57 late monsoons favoured the storage of salt water and production is expected to increase from the 1955-56 levels.

CHART NO. 9

ELECTRICITY SUPPLY IN BURMA

ELECTRICITY SUPPLY BY ESB INCREASED MORE THAN EIGHT-FOLD BETWEEN 1950-51 AND 1956-57



5. POWER

In May 1957 public electric generating capacity in Burma is 87,000 kilowatts—43,000 kilowatts being available from the Rangoon Electricity Supply Board plants at Ahlone and Ywama Stations and 44,000 kilowatts from the Electricity Supply Board plants distributed all over the country. The installed capacity of the Electricity Supply Board has exceeded that of the Rangoon Electricity Supply Board capacity. But as the Electricity Supply Board is operating in areas some of which have never had electricity before and where most towns have a lower consumption potential than the area supplied by the Rangoon Electricity Supply Board, its sales will be very much below that of the Rangoon Electricity Supply Board sales for some time to come. Generating capacity and consumption will increase as the implementation of the Four-Year Plan progresses.

Table 22.—POWER CONSUMPTION

Power consumption in Rangoon Electricity Supply Board Area [a]

(In thousands of KWH)

Monthly average for the year		Total	Lighting: Lighting	Lighting: All purpose Bulk	Power: Power	Power: Bulk Power	Power: Depart-mental Use
1951	...	2,340	795	478	338	713	16
1952	...	2,911	1,006	617	378	875	35
1953	...	3,564	1,118	767	566	1,009	34
1954	...	4,064	1,346	867	719	1,090	41
1955	...	4,545	1,560	981	837	1,138	30
1956 [b]	...	5,372	1,823	1,164	964	1,379	42
1957 [c]	...	5,970	2,024	1,295	1,068	1,535	48
Percentage Increase 1955 to 1956	...	18	17	19	15	21	40
Average yearly percentage rate of increase 1951 to 1955	...	18	18	20	26	13	30

[a] RESB area stretches up to Insein, Mingaladon, Thingangyun, Bauktaw and Dawbon besides Rangoon.

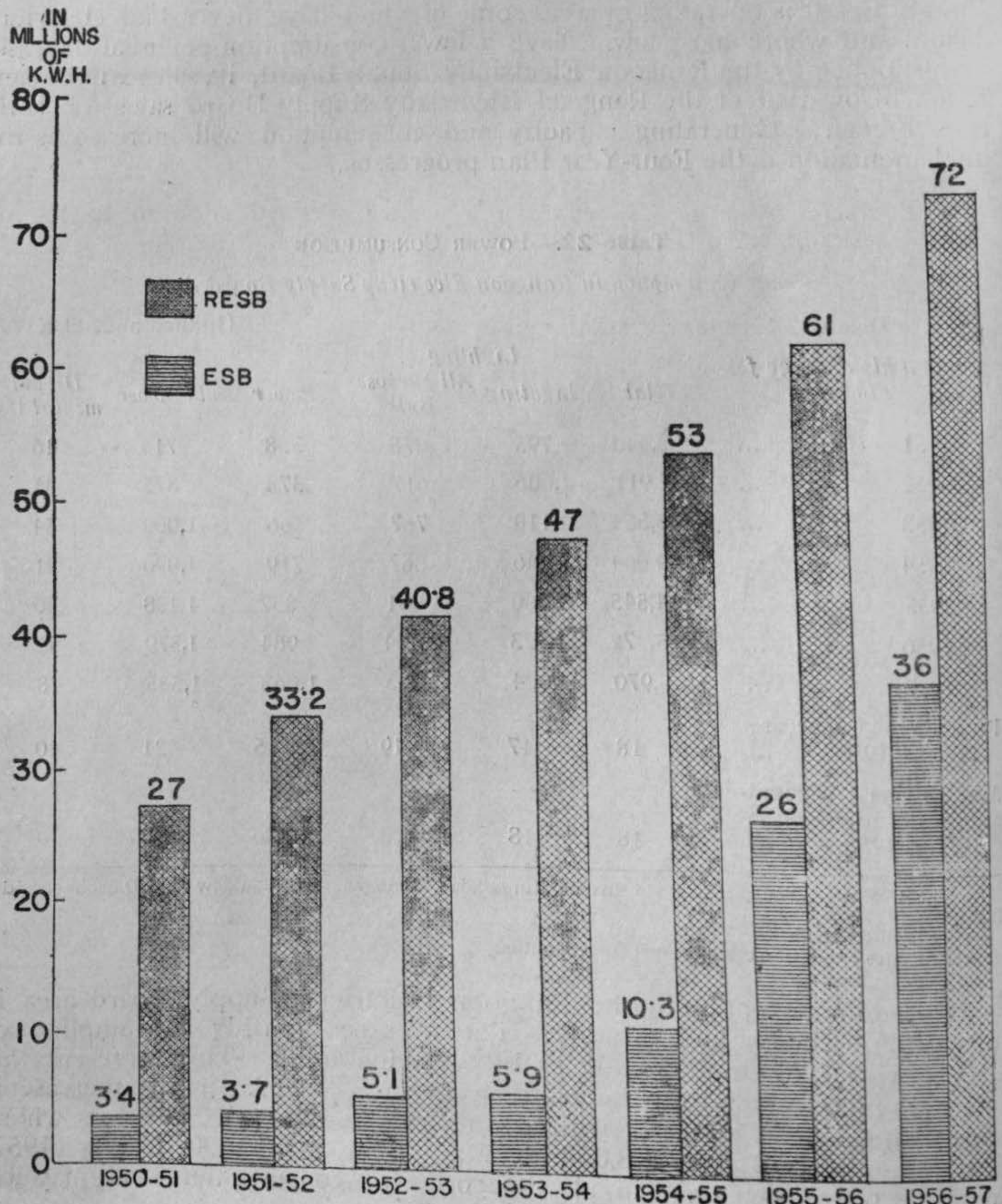
[b] Revised Estimates

[c] Estimates based on returns of first three months.

Power consumption in the Rangoon Electricity Supply Board area is increasing markedly and steadily. The average monthly consumption of electricity in 1957 is estimated to be 6 million units. This represents an increase of 0·6 million over the monthly average for 1956. The increase is largely due to the increase in the number of individual consumers whose numbers increased from 48,000 in May 1956 to 57,000 in May 1957. Increases were registered in all categories of consumption that may be

CHART NO. 10

YEARLY POWER CONSUMPTION IN ESB AND RESB AREAS



classified as domestic, commercial and industrial. Table 22 also indicates that consumption of power will increase in all the categories shown in that table. According to present estimates consumptions under "lighting" and "power" in 1957 will increase at equal rates (11 percent) although lighting will consume an average of 0·7 million more units per month than power. The following are the annual peak load demands registered in the past years and estimated for 1957 :—

			KW
1954	October (Thadingyut)	...	16 300
1955	October (Thadingyut)	...	18,000
1956	November (Tazaungdaing)	...	20,000
1957 [a]		...	22,000

[a] Estimated

Table 23 indicates the progress of diesel electrification in towns and villages outside the Rangoon Electricity Supply Board area.

Table 23.—POWER GENERATION AND CONSUMPTION IN THE REST OF BURMA

(Units in millions)

Fiscal Year	*The total number of towns and villages electrified by the end of each year*		*Plant Capacity K.W.*	*Units Generated*	*Units Sold*		
	Towns	*Villages*			*Public Lighting*	*Domestic Usage and Power*	*Total*
1947-48	10	...	5094	4·30	0·43	2·28	2·71
1948-49	11	...	5356	4·50	0·45	2·42	2·87
1949-50	13	...	5790	4·56	0·49	2·61	3·10
1950-51	17	...	6420	4·62	0·54	2·88	3·42
1951-52	26	...	8093	6·25	0·59	3·11	3·70
1952-53	31	...	8693	7·35	0·83	4·35	5·18
1953-54	80	...	11706	9·90	0·84	5·04	5·88
1954-55	173	38	17750	12·87	1·47	8·83	10·30
1955-56	254	200	40047	30·00	3·25	22·75	26·00
1956-57	298	208	45029	40·00	9·00	27·00	36·00
Percentage increase of 1956-1957 over 1955-1956 ...	17	4	12	33	177	19	38
Average yearly percentage increase over the whole period	53	...	32	32	50	38	39

By the end of 1956-57 the Electricity Supply Board will have a total installed capacity of 45,029 KW, a 12 percent increase from 1955-56 as compared to an increase of 125 percent between 1954-55 and 1955-56. Only 44 towns and 8 villages are scheduled to be electrified during 1956-57.

Most of these smaller towns and villages were installed with 25 KW Generators. The proportion of consumption for public or street lighting at public expense is much higher in these towns at present relative to domestic use. This factor is one of the reasons why in 1956-57 the relative proportions of consumption under the heads "public lighting" and "domestic usage" changed. There is a slowing down of diesel electrification drive of the Electricity Supply Board. The Board is now concentrating on promotion of sales and services in areas already installed with electricity.

6. Internal Transportation

Passenger Transportation.– In 1955-56, 28·1 million persons travelled by train and *via* the vessels of the Inland Water Transport Board. This exceeds the pre-war level shown in Table 24 by 90,000. The increase is mainly due to the activities of the Burma Railways.

1955-56 is the second year in which the Burma Railways has exceeded the pre-war average of the number of passengers carried and the passenger-miles travelled. When compared to the very low levels of 1948-49 the increases reflect the decline in the disruption of rail travel by insurgents and additions to the rolling stock. About 50 percent of the persons who used the railroads in 1955-56 were city-dwellers travelling on short haul suburban trains. Before the War the ratio of suburban passengers to the total was about one-third.

The number of passengers carried by the Inland Water Transport Board is increasing from year to year but it is estimated to be only 57 percent of pre-war. The Inland Water Transport Board's passenger fleet rehabilitation has so far been mainly in the nature of replacements therefore limited progress in the transportation of passengers by the Board.

Table 24.—Passenger Traffic of the Principal Carriers

(In millions)

Year		*Burma Railways Board*		*Inland Water Transport Board*	*Union of Burma Airways Board*	
		Passenger	*Passenger miles*	*Passenger*	*Passenger*	*Passenger miles*
1937—41	...	19·2	432·63	8·0	...	...
1948-49	...	4·6	73·95	0·4	...	...
1950-51	...	9·7	206·33	2·5	0·18	29·9
1951-52	...	11·7	252·00	3·1	0·12	25·8
1952-53	...	15·3	353·46	3·2	0·13	25·7
1953-54	...	17·2	421·59	3·3	0.14	26·9
1954-55	...	21·9	494·83	3·6	0·14	27·1
1955-56	...	23·8	525·51	4·3	0·13	26·7
1956-57	...	[a] 25·5	[a] 561·00	[b] 4·6	[c] 0·12	[c] 24·6

[a] Estimates by CSED based on first six months data.
[b] Estimates by CSED based on first four months data.
[c] Estimates by UBA.

Freight Transportation.—Freight traffic carried by the Burma Railways reached a post-war peak in 1954-55. But mainly due to the shortage of locomotives a decline has set in since 1955-56. During 1955-56 one engine was put out of commission and a large number were under heavy repairs since then the position has not improved. However necessary action is being undertaken to improve the situation.

In 1956-57 there were significant increases in the haulage of firewood, fruits fresh and dry, vegetables, bricks and building materials, sugar-cane and timber. These increases were possible because of the addition of 68 low sided wagons and 162 timber wagons to the rolling stock. General declines occurred in the tonnage hauled of commodities requiring covered wagons because 244 covered wagons were either under repairs or scrapped. Departmental activities also registered large declines.

In 1956-57, a special oil lift service scheduled to carry 75,000 tons of crude oil from Chauk to Syriam was inaugurated by the Inland Water Transport Board. This new source of cargo is expected to boost the freight carried from 1·19 million tons in 1955-56 to 1·27 million tons in 1956-57 which is 27 percent above the pre-war level.

On the 15th of October 1956 the Civil Aviation Department passed a regulation which reduced the all up-lift weight of Union of Burma Airways Dakota aircraft from 28,000 lbs. to 26,000 lbs. During 1956-57 the Board will be operating with less than half the number of pilots necessary to keep up regularly its scheduled flights. There are now only a total of eight Dakotas in flight as compared to 9 Dakotas and 4 Doves in 1950-51. It is because of these various reasons that Union of Burma Airways operations have been steadily declining since 1953-54 and the trend is expected to continue into 1956-57. Steps are however being taken to acquire more aeroplanes, pilots and to improve the management.

Table 25.—FREIGHT TRAFFIC OF THE PRINCIPAL CARRIERS

(Millions of ton-miles)

Year	*Burma Railways Board*		*Inland Water Transport Board*		*Union of Burma Airways Board*	
	Tons	*Ton-miles*	*Tons*	*Ton-miles*	*Tons*	*Ton-miles*
1937-41 ...	4·02	689·42	n.a.	n.a.	...	...
1947-48 ...	2·11	382·62	n.a.	65·80	...	...
1950-51 ...	1·36	122·54	0·67	134·43	·0045	1·04
1951-52 ...	1·65	179·47	0·87	130·04	·0031	0·88
1952-53 ...	1·89	258·91	1·12	124·39	·0037	1·13
1953-54 ...	2·28	323·35	1·15	132·21	·0040	1·02
1954-55 ...	2·43	385·96	1·31	139·53	·0034	0·86
1955-56 ...	2·26	370·69	1·19	[c] 144·00	·0030	0·78
1956-57 ...	[a] 2·20	[a] 360·0	[b] 10·27	n.a.	[d] ·0027	[d] 0·72

[a] Estimates by Central Statistical and Economics Department based on first six months data.
[b] Estimates by Central Statistical and Economics Department based on first four months data.
[c] Estimates by Central Statistical and Economics Department.
[d] Estimates by Union of Burma Airways.
n.a. = Not available.

Table 26 shows the breakdown of railway freight loadings by commodity category. The table indicates that there has been a net loss of 122,000 tons of freight in 1955-56.

Major declines took place in the mines and miscellaneous products categories. The mining group consists of metals and ores, some building materials and other products. The shortage of enginepower on the Sedaw-Lashio section (this line is used by the Burma Corporation) and the reduction in the loading of building materials such as stone and sand account for the sharp decline in the minerals category. Building materials, especially bricks which are classified under the heading "miscellaneous" again account for the reduction in the freight transported by this group.

Increases registered under the agriculture, forest and animal farming products groups reflect increased marketing of these basic commodities.

Table 26.—RAILWAY FREIGHT LOADINGS BY CATEGORY

(In thousands of tons)

Categories	1953-54	1954-55	1955-56	Percentage change over 1954-55
Products of Agriculture	840	974	992	+ 1·8
Products of Mines	267	269	181	−33·8
Products of Sea	35	36	35	− 2·8
Products of Forest	314	298	308	+ 3·4
Products of Animal Farming ...	11	11	13	+18·2
Military goods	40	47	48	+ 2·1
Miscellaneous products	274	309	245	−20·7
Total ...	1,781	1,944	1,822	− 6·3

D. FOREIGN TRADE AND EXCHANGE

1955-56.—During 1955-56 the continuing decline in the country's foreign exchange was halted and the trend reversed. The improvement in the balance of payments was largely due to a vigorous export drive and the reduction of imports for private consumption.

Exports.—As will be seen in Table 27 export proceeds in 1955-56 exceed the figure for 1954-55 by some K 68 millions. Except for minerals, pulses and rubber all of this increase was due to an increase in the physical volume of exports. The f.o.b. price of SMS quality rice declined from £42 pert on in 1954-55 to £36 per ton. Timber exports in 1955-56 indicate a tremendous increase of 95 percent in volume from the 1954-55 level and a lower average price was received during the year under consideration. High average prices for mineral exports more than compensated for the reduction in volume due to the decline in zinc stocks and the low volume of mixed tin and tungsten exported. The average export price of other agricultural exports, except rubber and puises fell during 1955-56. The Suez Crisis, the re-entry of Russia into the market and heavy purchases by China were the main factors for the favourable market for rubber. The heavy influx of U.S. cotton into the world market depressed prices and receipts from cotton declined by 16 percent inspite of a 25 percent increase in the volume of exports.

Table 27.—EXPORTS AND IMPORTS

Selected Data

	1938-39	1952-53	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57 (Provisional)
A. Exports : By Value (K millions)							
Rice ...	223	1019	840	845	877	439	426
Other Agricultural Produce ...	32	159	149	168	156	81	85
Cotton ...	8	55	50	51	43	25	18
Pulses ...	7	43	47	41	29	15	28
Rubber [a] ...	6	28	21	39	43	20	14
Oilcakes ...	5	19	23	29	33	16	19
Others ...	6	14	8	8	8	5	6
Metals and Ores ...	57	61	36	57	65	36	28
Timber ...	33	32	27	31	56	28	29
All Others ...	133	22	27	15	30	11	6
Total ...	478	1293	1079	1116	1184	595	574

	1938-39	1952-53	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57 (Provisional)
A. Exports :							
By Volume (000 tons)							
Rice ...	3303	1216	1268	1631	1930	959	946
Other Agricultural Produce ...	249	206	212	230	222	117	141
Cotton ...	17	22	18	16	20	12	7
Pulses ...	93	80	98	108	73	42	61
Rubber [a] ...	9	12	12	14	12	5	5
Oilcakes ...	80	55	60	70	89	43	52
Others ...	50	37	24	22	28	15	16
Metals and Ores ...	168	35	51	60	58	34	24
Timber ...	251	39	36	42	82	43	36
All others ...	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total ...	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
B. Imports :							
By Value (K millions)							
Consumer Goods [b] ...	168	715	705	621	586	268	415
Capital Goods [b] ...	48	161	242	285	286	147	155
Total ...	216	876	947	906	872	415	570

a Includes raw scrap rubber.
b Revised.
n.a. = Not available.

Source : SAMB for rice, Customs Department for other commodities except for timber exports 1954-55 and 1955-56 which are obtained from STB.

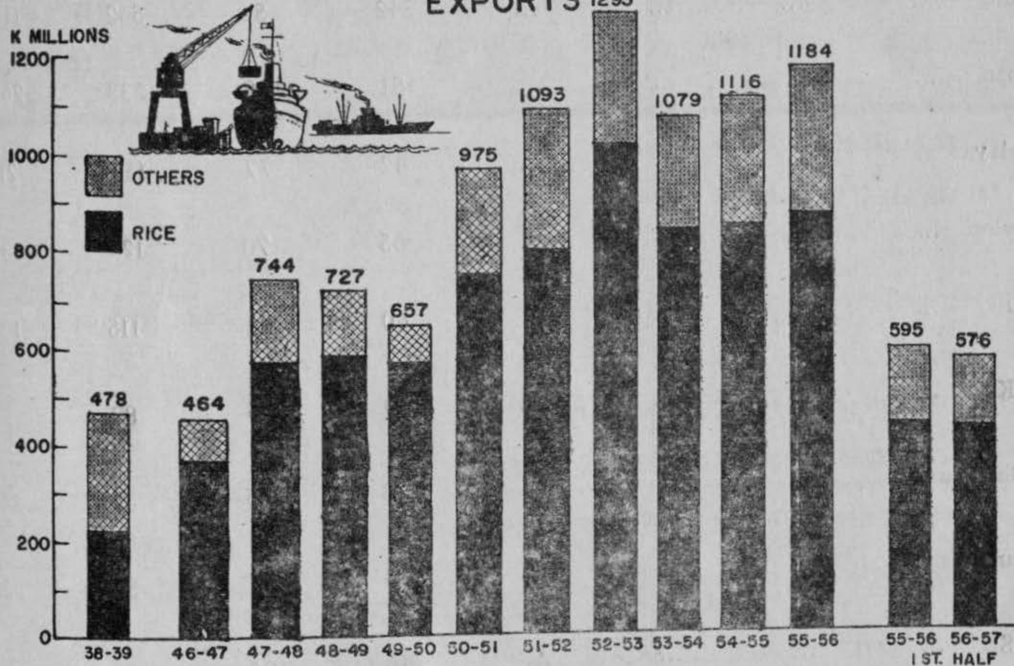
Distribution of Rice Exports.—The distribution of rice exports in 1955-56 shows distinct deviations from the 1954-55 pattern. Shipments to India which is normally the largest customer declined from 562,000 tons in 1954-55 to 127,000 tons in 1955-56. Ample stocks and a bumper crop in India being the major reasons. The depletion of stocks, a low current crop and the offer of SMS quality rice at £36 per ton made Indonesia increase her imports from 37,000 tons in 1954-55 to 345,000 tons in 1955-56. This makes her the most important cash customer for the year. The reduction in price from £42 to £36 per ton also increased exports to Malaya and Japan by 33 percent and 10 percent respectively. Clearing account countries purchased 26 percent of the total value of exports. The USSR took 212,000 tons out of the total of 467,000 tons exported to barter countries.

CHART NO. II

EXPORTS AND IMPORTS

THE VALUE OF EXPORT IN THE 1ST. HALF 1956-57 IS ALMOST THE SAME AS IN THE 1ST. HALF OF 1955-56

EXPORTS



THE VALUE OF IMPORT IN THE 1ST HALF OF 1956-57 IS CONSIDERABLY HIGHER THAN THE VALUE OF IMPORT IN THE 1ST HALF OF 1955-56

IMPORTS

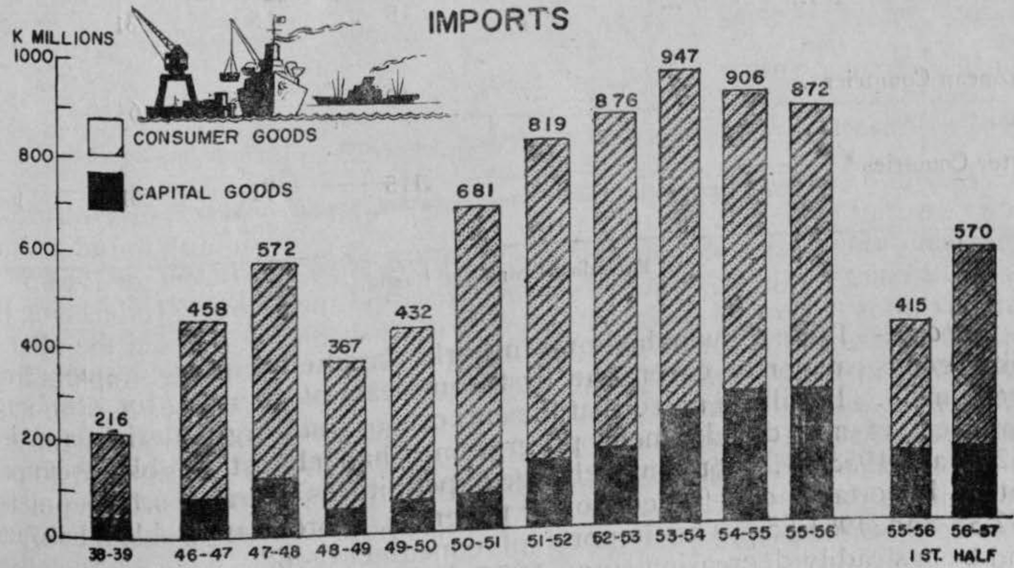


Table 28.—DISTRIBUTION OF RICE EXPORTS

Country	K Million 1954-55	K Million 1955-56	000 tons 1954-55	000 tons 1955-56
India	342	56	562	127
Japan	151	148	238	262
Malaya	42	77	158	211
Ceylon	65	70	123	132
China	60	51	115	105
U.K.	19	15	82	57
Indonesia	23	165	37	345
Mauritius	23	12	36	23
USSR	18	105	34	212
Rukyu Island	18	15	31	30
European Countries	18	10	64	29
Barter Countries *	115	71	231	166

* Excluding China and Russia.

Imports.—Table 29 which shows imports classified under consumer and capital goods categories covers the first four years of planning for economic development. It will be noted that the imports of building materials, a major component of any development programme, had almost doubled between 1952-53 and 1953-54. Foreign exchange expenditures on transport equipment, another important need for economic progress, more than trebled between 1952-53 and 1954-55. The imports of consumer goods have on the other hand been steadily decreasing since 1952-53.

Table 29.—IMPORTS BY TYPE OF COMMODITY

(K Thousands)

Type of Commodity	1952-53	1953-54	1954-55	1955-56	First Half 1955-56	First Half 1956-57
Consumer goods ...	715178	704716	620840	586405	268456	415367
Food, drink and edible oil	135998	161870	168999	100696	56564	59231
Textiles	180865	177765	124326	119621	43115	74800
Medicines	20932	20934	28460	44799	24289	28676
Fuel	53156	34955	40769	56934	23740	25381
Materials raw and semi-manufacture (for the manufacture of consumer goods)	90757	81302	68532	87134	38557	94957
Others (including tyres and tubes)	233470	227890	189754	177221	82195	132322
Capital Goods	161275	242002	284979	286006	146984	155025
Building materials ...	61506	112216	110859	87064	44287	45599
Machinery, Appliances and Apparatus	59701	72921	79143	119394	64274	49474
Private Motorcars ...	4366	11878	8385	3549	1147	5744
Bicycles and parts ...	8320	8972	7056	4458	1981	1836
Other Transport Equipment	20106	25584	65624	56152	29200	43054
Others	7276	10431	13912	15389	6095	9318
Grand Total ...	876453	946718	905819	872411	415440	570392

a Provisional figures (January—March 1957 for Rangoon only).

Owing to the balance of payments problems imports were severely restricted in March 1955. The proposed foreign exchange expenditures of the Government Complex was carefully reconsidered. The effects of the capital programme review undertaken during the first quarter of 1955 became evident in the decline in the value of building materials imported during 1955-56.

Decreases are also to be seen in all items under capital goods except for the groups "Machinery, Appliances and Apparatus" and "Others." Imports under the first head increased by K 40 millions from 1954-55 because of the Government's Policy of encouraging the import of manufacturing equipment by the private sector. The increase in this group about compensated for the decline in the other components of capital imports.

The decline in the imports of consumer goods was mainly in the food, drink and edible oil component. Medicines which are imported under OGL, fuel which is a special import and materials for the manufacture of consumer goods increased from 1954-55 levels.

Exchange.—After two successive years of deficits a surplus was recorded for the year 1955-56. This is due to relatively higher receipts on both the trade and non-trade accounts and the reduction in private imports. Trading receipts are higher mainly because of the increase in the volume of exports. Non-trade receipts were exceptionally high because of the IMF drawings of K 71·4 millions.

1956-57—Developments and Outlook

Exports

Agricultural Produce.—Exports of agricultural produce during the first half of the year appear to be satisfactory in relation to the targets despite slight setbacks in the exports of cotton and rubber.

The lower average selling price of rice and shortages in some importing countries have made demand favourable. Pakistan has entered the Burmese market, a three-year contract amounting to half a million tons a year has been concluded with India and demand from Malaya, Ceylon and Japan have become more or less firm.

During the first six months of the fiscal year 946,000 tons or an average of 160,000 tons a month was shipped. Shipments in April, May and June have however averaged 180,000 tons a month, bringing the total shipments covering the first nine months to nearly 1·5 million tons valued at K 67·2 crores. For the remaining three months, *i.e.* July to September there is every likelihood of shipping an average of 170 thousand tons a month so that the target of 2 million tons valued at K 870 millions will be reached.

Prices of pulses and beans have increased as compared to the last two fiscal years and Malaya, Japan and Hongkong have increased their demand. Sixty-one thousand tons were exported as compared to 42,000 in the first half of 1955-56. With sustained demand it is probable that about 90,000 tons valued at K 41 millions will be shipped for the year as a whole. Fairly good crops of sesamum and groundnut were harvested and the United Kingdom and Luxembourg demands for oilcakes being firm the targets for exports estimated to be K 36 millions is expected to be reached.

Unusually low production of raw cotton arising from inclement weather will lead to a decline in the volume and value of shipments to about 31 million lbs. valued at K 34 millions as compared with the target export of 42 million lbs. valued at K 50 millions. With the gradual improvement in the Middle East situation the price of rubber has declined such that the latest estimate from the Rubber Export Board indicated a shipment of 11,000 tons valued at K 35 millions in 1956-57 as against the target of 12,500 tons valued at K 43 millions.

For the agricultural sector as a whole it is estimated that actual receipts will be K 1,026 millions as compared to the target of K 1,042 millions, *i.e.* a shortfall of less than 2 percent.

Minerals.—The decline in the world prices of metals and ores have not visibly affected the exports of lead, zinc and those grouped together as "others." The programmed level of exports will probably be achieved for these products. But the prices of tin and tungsten have declined drastically. These prices are not expected to pick up again in the near future and some marginal firms have gone out of production. The value of the exports of these two minerals are expected to be at only about 70 percent of the projected level. It is therefore considered that the actuals at the end of the year will fall short of the target of K 8·2 crores by about K 2·2 crores.

Timber.—The targets for teak exports and non-teak woods are 68,000 tons and 19,000 tons respectively. Total expected earnings from these exports being K 7·2 crores. Timber valued at K 4·8 crores was shipped during the first nine months of the year. If the shipments scheduled for the Indian market can be achieved and the demand from other markets be met, it is likely that exports during the months July to September will be K 2·4 crores.

At the beginning of the year 1956-57 it was estimated that the receipts from exports would be nearly K 121 crores. However, due to the shortfalls in minerals and " Other Agricultural Produce " receipts are now expected to be about K 117 crores.

Imports

The objective of import policy in 1955-56 was to conserve foreign exchange reserves. This policy was effective and has contributed towards the stabilization of the foreign exchange position during the course of the year. The equilibrium in the balance of payments was restored at the cost of some increase in prices especially of imports. With the prospects of increased earnings, loans and aid from abroad the import policy for 1956-57 emphasized the need to bring down prices. The Government therefore formed seven Joint Venture Corporations with private Burmese Business. Five of these Corporations deal with the import and distribution of textiles, foodstuffs, general hardware and materials and the remaining two, import and distribute raw materials for manufacture, machinery and equipment. The Open General Licence list was also expanded in October 1956 to include such items as dried prawns, fish and fish products, essential toilet articles and tyres and tubes.

The import programme for 1956-57 excluding defence was determined at K 109 crores. In addition there is a carry-over of K 10 crores from barter countries. It is possible that recorded total imports may reach a total of K 119 crores.

Total Imports during the first half of 1956-57 was about 37 percent higher than the imports for the corresponding period of 1955-56. The increase was mainly in and for all groups of consumer goods which increased by about 55

percent. The import of textiles increased by 73 percent largely because of heavy arrivals of goods imported under the PL480 Agreement. The increase in cotton yarn accounted for K 3·9 crores out of the total increase of K 5·6 crores for raw materials for the manufacture of consumer goods. The import of capital goods increased by about 5 percent. The increases being mainly in the transportation categories.

In the first half of 1956-57 imports of non-defence goods by Government excluding imports by the Civil Supplies Management Board is also lower. The monthly average of the value of these imports for the first six months of 1955-56 was K 174 lakhs as compared to K 165 lakhs this year. The monthly average of the value of imports by private business was K 395 lakhs in the first half of 1955-56 but is K 576 lakhs in 1956-57.

The active implementation of the anti-inflation policy has had results. The first eight months of 1956-57 witnessed a spectacular drop in the wholesale price of textile products. Large price reductions were also recorded for OGL items. Over the three months of April, May and June 1957, the retail prices of some specifications of longcloth, haircord for women's longyis, nylon for jackets and other textiles fell more than 30 percent.

On the basis of the Letters of Credit opened it is estimated that a steady flow of consumer imports will be maintained throughout the rest of the year.

Foreign Exchange Transactions and Reserves

Foreign Exchange Transactions.—At the end of the first half of 1956-57 foreign exchange reserves were recorded to be K 641·0 millions. The decline in the reserves by K 105·4 millions from the end of September 1956 reflects the adverse balance of trade during the first six months of 1956-57 as well as some other factors such as late recordings of payments made in respect of goods imported during 1955-56.

Export proceeds for the first six months were K 36 millions less than the receipts during the corresponding period of 1955-56. This is due to a fall in the volume of the exports of rice, metals and ores, timber and rubber. Collections of the amounts outstanding for the sales of rice have also been somewhat slower than last year.

There has been a small but steady rise in non-trade receipts since September 1955. The figure recorded for the first half of 1956-57, was K 47 millions, this figure was K 3 millions and K 1 million higher than the 1st half and 2nd half of 1955-56 respectively (exclusive of drawings from the International Monetary Fund of K 71·4 millions during the first half of 1955-56).

Total foreign exchange payments in the first half of 1956-57 were K 159 millions more than its corresponding period in 1955-56. The increase was confined to payments for imports which rose by nearly 43 percent while non-trade payments fell by 8 percent.

Table 30.—FOREIGN EXCHANGE TRANSACTIONS

(In Millions of Kyats)

Period		Receipts			Payments				
		Exports	*Non-Trade*	*Total*	*Private Imports*	*Government Imports*	*Non-Trade*	*Total*	*Net Surplus or Deficit*
1952-53		1266·5	80·4	1346·9	695·7	150·4	252·8	1098·9	+248·0
	1st half	588·1	40·1	628·2	314·5	45·2	110·6	470·3	+157·9
	2nd half	678·4	40·3	718·7	381·2	105·2	142·2	628·6	+90·1
1953-54		999·0	78·0	1077·0	810·8	320·3	381·8	1512·9	−435·9
	1st half	467·3	36·0	503·3	391·6	143·5	141·8	676·9	−173·6
	2nd half	531·7	42·0	573·7	419·2	176·8	240·0	836·0	−262·3
1954-55		913·1	77·2	990·3	693·9	267·0	269·1	1230·0	−239·7
	1st half	439·0	39·4	478·4	402·8	102·4	117·5	622·7	−144·3
	2nd half	474·1	37·8	511·9	291·1	164·6	151·6	607·3	− 95·4
1955-56		1181·9	160·3	1342·2	457·5	369·8	275·0	1102·3	+239·9
	1st half	548·8	115·2	664·0	222·7	176·0	135·8	534·5	+129·5
	2nd half	633·1	45·1	678·2	234·8	193·8	139·2	567·8	+110·4
1956-57									
	1st half (Prov.)	512·5	46·9	559·4	372·2	197·0	124·9	694·1	−134·7

Source : Union Bank of Burma.

CHART NO. 12

BALANCE OF PAYMENTS

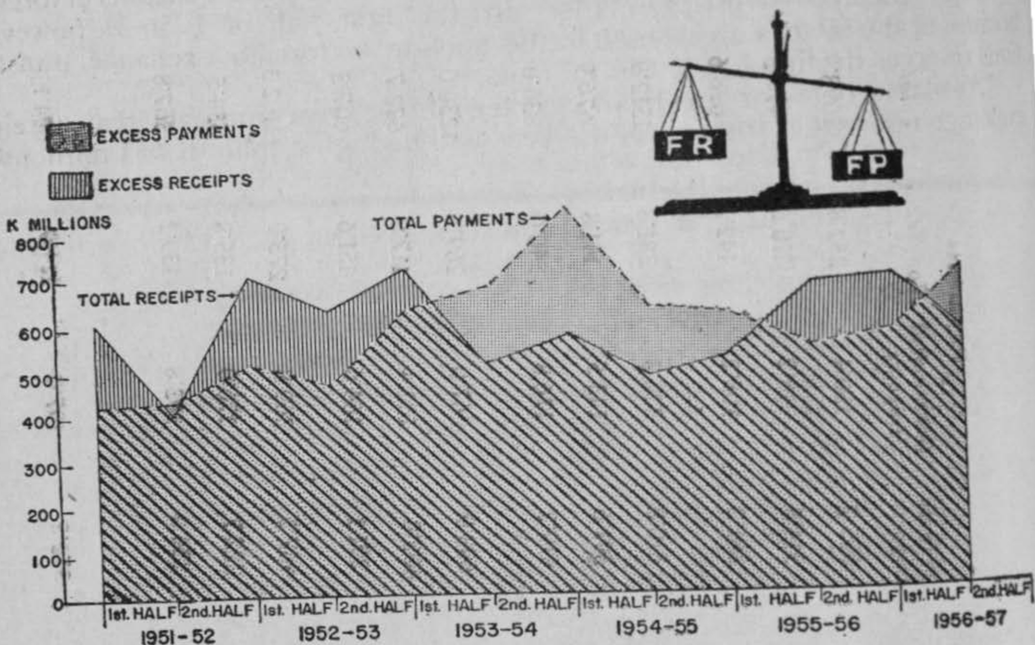
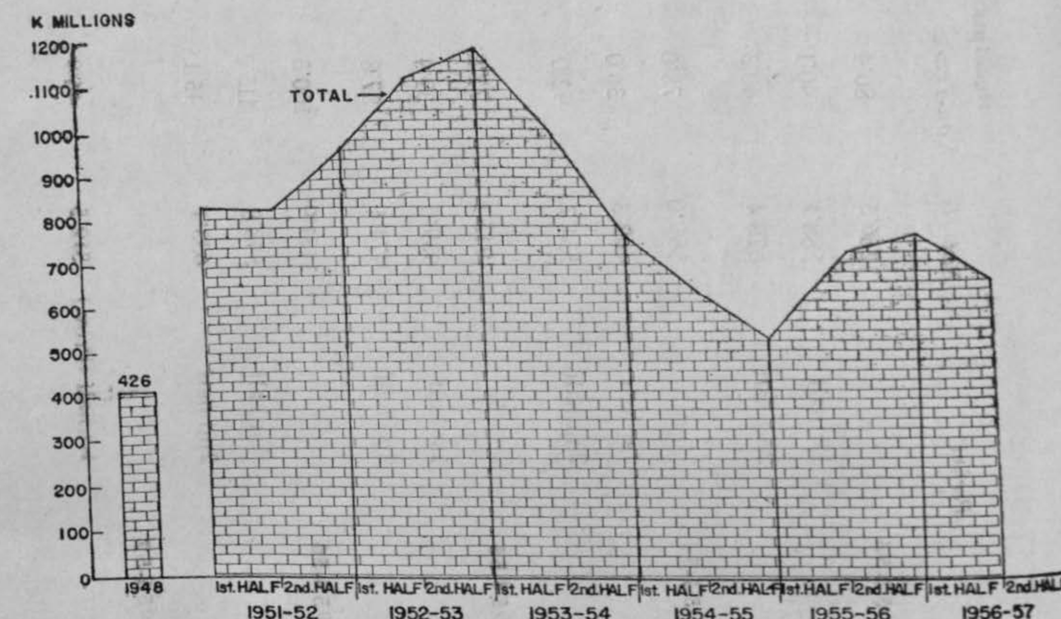


CHART NO. 13

FOREIGN EXCHANGE RESERVES



Foreign Exchange Reserves.—With the proper control of payments and increased exports the continuing decline in the foreign exchange reserves since 1952-53 was halted and the year 1955-56 ended with a surplus of foreign exchange receipts over payments. In the first half of 1956-57 however, because of the factors mentioned in the section of foreign exchange transactions reserves declined to K 641 millions.

Available data for the third quarter of the year indicate that foreign exchange reserves at the end of the year will be higher than K 641 millions.

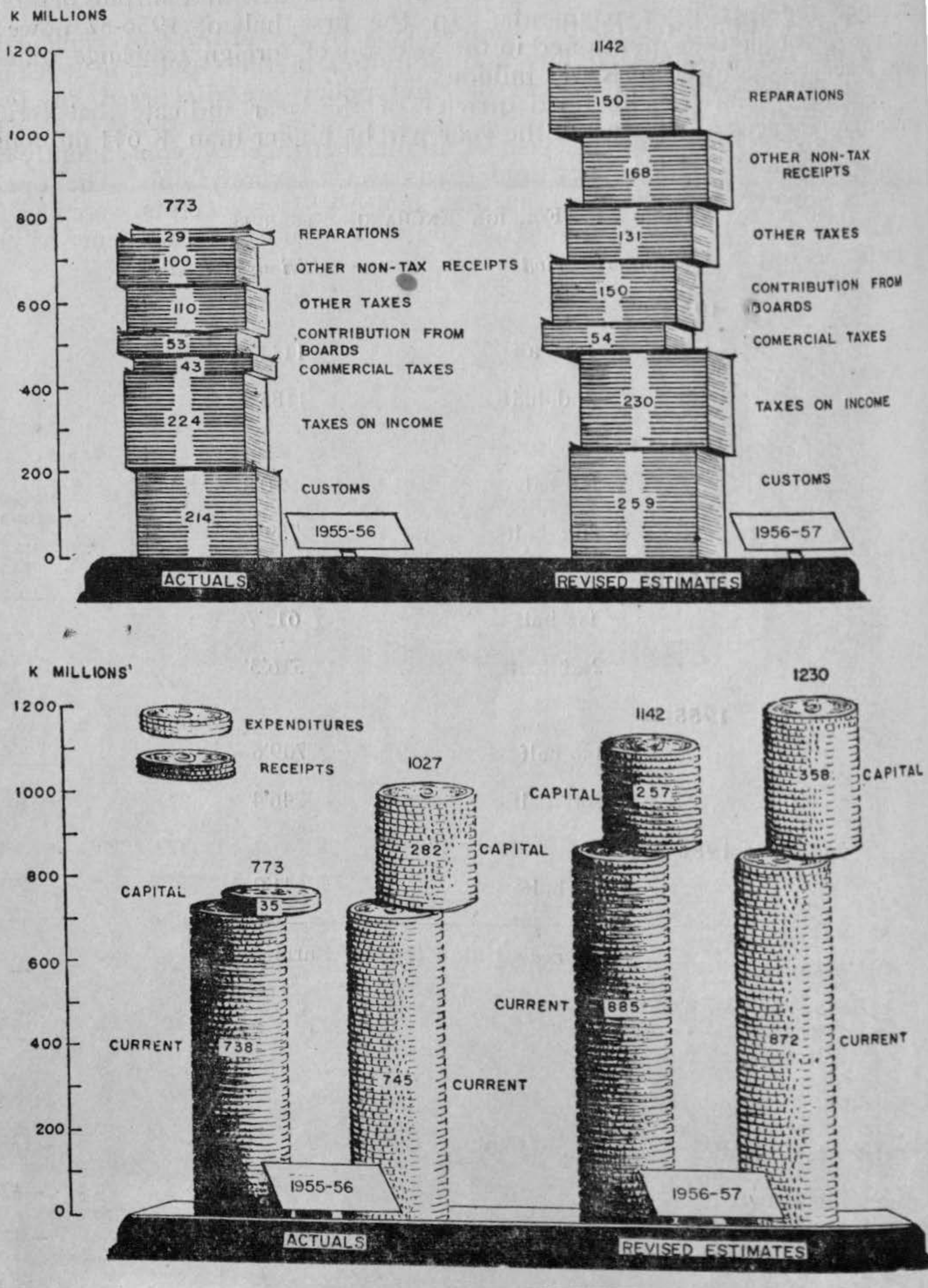
Table 31.--FOREIGN EXCHANGE RESERVES

End of Period		*Millions of Kyats*
1952-53		
	1st half	1111·0
	2nd half	1185·8
1953-54		
	1st half	990·8
	2nd half	759·7
1954-55		
	1st half	612·7
	2nd half	516·3
1955-56		
	1st half	709·6
	2nd half	746·4
1956-57		
	1st half	641·0

Source : Union Bank of Burma.

CHART NO 14

GOVERNMENT FINANCE



E. FINANCE AND CREDIT

1. Government Finance

This section presents the budgetary activities of the Government rather than the overall fiscal policy and activities of the Government Complex. Fiscal policy, and the effects of this policy are discussed in Part III of this Survey.

The year 1955-56 was a year of financial stringency, consequently capital expenditures both ordinary and loans were severely cut. The operating deficit however was higher than that of 1954-55 as receipts were also lower. This was due to the lower yields of such important revenue items as custom duties on imports.

Table 32.—Union Government Budget

(In Millions of Kyats)

	1954-55 Actuals	1955-56 Actuals	1956-57 Budget Estimates	1956-57 Revised Estimates
1. Receipts	1106	773	1167	1142
Current	940	738	890	885
Capital	166	35	277	257
2. Expenditures ...	1268	1027	1256	1230
Current	731	745	877	872
Capital	537	282	379	358
a. Ordinary ...	208	160	199	163
b. Foreign loan repayment	104	...	...	...
c. Loans to Boards and Corporations, Agriculturists, etc. (net).	225	122	180	195
3. Excess of Expenditures ...	162	254	89	88
4. Net change in National Debt	−146	220	−90	−135
5. Overall deficit	16	34	−1	−47
6. Deficit as shown in budget	120	34	−1	−47

In 1956-57 the pressure on expenditures was somewhat eased although total expenditures have not been raised to 1954-55 levels. The Revised Estimates for the year 1956-57 indicate that the severe restrictions put on current expenditures in 1955-56 have led to expenditures under this head increasing by K 127 millions as compared to the increase in capital expenditures by K 76 millions. Revenues from tax and non-tax sources are also higher in 1956-57 when compared to 1955-56. Expenditures were K 88 millions in excess of receipts ; nevertheless, the conventional budget shows a budget surplus of K 47 millions because of the increase in the National Debt by K 135 millions.

Table 33.—Financing the Budget Deficit

(In Millions of Kyats)

	1955-56 Actuals	1956-57 Revised Estimates
Operating Deficit	254	88
Means of Financing—		
Net change in National Debt ...	220	135
Drawing upon cash balance ...	34	−47

The Revised Estimates for 1956-57 indicate an increase in total receipts of K 369 millions or 48 percent above the actuals reported for 1955-56. Of this increase K 83 millions or 14 percent would be in taxes, K 97 millions or 183 percent in Rehabilitation Contributions, K 121 millions or 417 percent would be provided by Japanese Reparations and K 68 millions or 68 percent in the other non-tax category. The increase in taxes was mainly due to an increase in Custom Duties which is expected to be K 45 millions in excess of 1955-56 provisional actuals. This increase in custom duties is in keeping with the policy of the liberalization of imports and an increase in the export of rice. Receipts from Excise Duties show an improvement by K 10 millions due to the modification of Excise Duties. Income-tax and sale tax receipts come up by K 6 millions and K 7 millions respectively on account of strict enforcement and improved profits of commercial enterprises.

Japanese Reparation receipts was K 20 millions less than was forecast in the Budget Estimates.

Contributions made by the Boards and Corporations was the same as estimates in the original 1956-57 Budget Estimates.

Table 34.—SOURCES OF UNION GOVERNMENT RECEIPTS

(In Millions of Kyats)

	1954-55 Actuals	1955-56 Actuals	1956-57 Budget Estimates	1956-57 Revised Estimates
1. Taxes—	639	591	691	674
Customs	255	214	255	259
Excise Duties	23	39	40	49
Taxes on Income ...	243	224	265	230
Land Revenue	24	22	29	29
Excise	30	33	34	36
Stamp	5	7	5	6
Commercial Taxes ...	51	43	54	54
Other Taxes	8	9	9	11
2. Non-Tax Receipts— ...	467	182	476	468
(i) Ministries and Departments	103	100	156	168
Defence	3	2	1	3
Posts and Telegraphs ...	17	18	21	22
State Lottery ...	9	10	10	10
Others	74	70	124	133
(ii) Contributions from Boards	364	53	150	150
(iii) Japanese Reparations ...	...	29	170	150
3. Total	1106	773	1167	1142

2. MONEY SUPPLY

The total money supply increased by K 30 millions during the first half of 1956-57. The money supply held by the Government declined by K 42 millions, privately held money supply increased by K 79 millions and time deposits declined by K 7 millions.

In Table 51 of the Economic Survey of 1956 it was projected that the privately held money supply would increase by about K 23 millions during the course of the year 1956-57. Privately held money normally increases in the first half and decreases in the second half of the fiscal year. The rise in the first half of 1956-57 is only K 79 millions. This amount is noticeably small when compared to the increases during the corresponding periods in the past few years. If the normal seasonal trend follows, the actual increases in money supply at the end of 1956-57 would be below the level prevailing during the first half of the year.

The main factor tending to increase the private money supply is the net payments to the private sector by Government. This net disbursement of K 220 millions during the first half of 1956-57 is again relatively small as compared to K 318 millions and K 403 millions in the corresponding periods of 1955-56 and 1954-55. The withdrawals by the Government Complex have apparently been greater than the disbursements for paddy purchases and other payments.

Higher imports, speculative activities by some groups of business men and trading in the larger crop of paddy has led to an increase in the credit extended by commercial banks by K 110 millions. The credit picture is discussed in further detail in a later chapter.

The private sector has considered it desirable to be more liquid and has drawn down K 7·6 millions from time deposits.

The increase in the private money supply due to these factors has been offset to a large extent by the deficit on foreign account of K 240 millions. K 19·2 millions was paid for PL 480 imports. The net effect has been a relatively modest increase in the privately held money supply by K 79 millions.

If the privately held money supply should follow seasonal trends of the past, it should decline further in the second half due to the larger foreign exchange deficit on private account, the contraction of Commercial Bank credit and lower net receipts from the Government Sector.

CHART NO. 15

PRIVATE MONEY SUPPLY

PRIVATELY HELD MONEY SUPPLY INCREASED IN THE FIRST HALF OF 1956-57

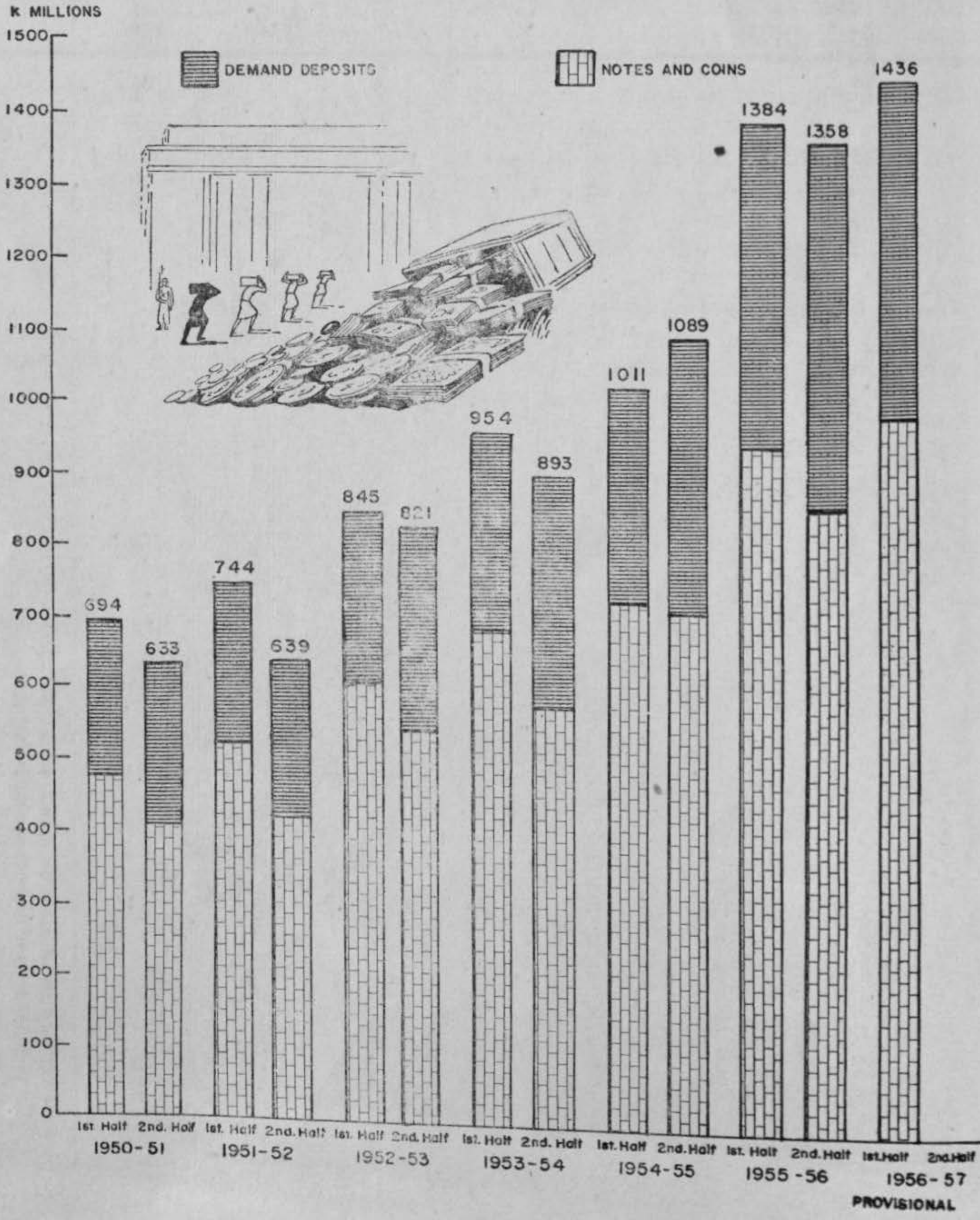


Table 35.—Ownership of Money Supply

(In Millions of Kyats)

	1954-55		1955-56		1956-57	Change 1954-55 to 1955-56		Change 2nd half 1955-56 to 1st half 1956-57	
	1st half	*2nd half*	*1st half*	*2nd half*	*1st half*	*Amount*	*Percent*	*Amount*	*Percent*
Total Money Supply [a]	1260·1	1364·7	1653·4	1803·9	1833·5	+439·2	32·2	+29·6	1·6
1. Privately held money supply ...	1011·4	1088·9	1384·4	1357·7	1436·4	+268·8	24·7	+78·7	5·8
(*a*) Demand Deposits ...	298·1	385·6	445·6	501·1	459·5	+115·5	30·0	−41·6	8·3
(*b*) Notes and Coins ...	713·3	703·3	938·8	856·6	976·9	+153·3	21·8	+120·3	14·0
2. Government held money supply [b]	151·8	156·0	147·4	337·8	295·9	+181·8	116·5	−41·9	12·4
3. Time Deposits in Commercial Banks	96·9	119·8	121·6	108·4	101·2	−11·4	9·5	−7·2	6·6

[a] Includes time deposits but excludes notes and coins in the tills of Commercial Banks.

[b] Includes demand deposits and notes and coins.

Table 36.—FACTORS CHANGING TOTAL MONEY SUPPLY [a]

(In Millions of Kyats)

	1954-55			1955-56			1956-57
	1st Half	*2nd Half*	*Year*	*1st Half*	*2nd Half*	*Year*	*1st Half*
1. Change in Foreign Exchange Reserves [b]	−154·0	−94·6	−248·6	+118·5	+118·8	+237·3	−110·5
a. Monetary Authorities[c]	−153·9	−109·9	−263·8	+64·5	+142·9	+207·4	−143·5
b. Commercial Banks (net)	−0·1	+15·3	+15·2	+54·0	−24·1	+29·9	+33·0
2. Change in Government and Government guaranteed Securities held by the Banking System ...	+276·5	+210·1	+486·6	+190·1	+73·5	+263·6	+95·1
3. Change in Commercial Bank Loans and advances[d] ...	+50·4	−22·7	+27·7	+102·7	−76·7	+26·0	+158·0
4. Other Factors ...	−79·5	+11·8	−67·7	−122·6	+34·9	−87·7	−113·0
5. Change in Total Money Supply	+93·4	+104·6	+198·0	+288·7	+150·5	+439·2	+29·6

[a] Includes time deposits in Commercial Banks.

[b] Government held balances omitted since they are not monetized by the Union Bank of Burma. The decline in the foreign exchange reserves including government holdings during the first half of 1956-57 is K 105 millions.

[c] The drawing of K 71·4 millions from the International Monetary Fund in March 1956 was monetized in May 1956. Therefore it was excluded in the first half of 1955-56 but included in the second half of 1955-56.

[d] Last Friday of the month. Includes also government bills discounted by the State Commercial Bank.

3. CREDIT

Commerical Bank Credit.—The net seasonal expansion of loans and advances to private business during the first half of 1956-57 amounted to K 110 millions. The increase during the first half of 1956-57 was 7 percent higher than the corresponding figure for 1955-56. Fifty-four percent of the total expansion was absorbed by processing and manufacture, 27 percent by distributive trade and marketing and 12 percent went directly to import trade.

From out of the increase of K 59 millions that went to processing and manufacture in the first half of this fiscal year 93 percent or K 55 millions was used in the processing of paddy and rice. The increase that took place during the corresponding period last year was lower and the percentage absorbed by the paddy processing trade was 89 percent.

In the first half of 1955-56 loans to distributive trade and marketing was shared almost equally by the marketing of paddy and the general distributive trade. In 1956-57 however, K 18 millions of the increase went to the marketing of paddy and rice, K 11 millions to the general distributive trade.

Credit to the import trade which contracted by K 6 millions in the first half of 1955-56 increased by K 13 millions in 1956-57. The expansion was due to the increase in advances of K 3 millions to import of machinery and transport equipment, K 2 millions to the import of chemical and allied products, K 1 million each to the imports of textile and oil and the remainder to the imports of miscellaneous other items.

Table 37.—CHANGE IN COMMERCIAL BANK CREDIT

(In Millions of Kyats)

	1954-55			1955-56			1956-57
	1st Half	*2nd Half*	*Total*	*1st Half*	*2nd Half*	*Total*	*1st Half*
1. Primary production of food and raw material ...	+·1	+·2	+·3	+·4	+·9	+1·3	+·7
2. Processing and manufacture ...	+19·4	−24·0	−4·6	+36·8	−27·0	+9·8	+58·7
3. Building and Engineering	+1·3	+4·9	+6·2	−1·0	−·9	−1·9	+·5
4. Transport and public utility services ...	−·3	+·1	−·2	+·9	+1·6	+2·5	−·3
5. Distributive Trade and Marketing ...	+8·0	−7·9	+·1	+17·4	−6·1	+11·3	+30·0
6. Retail Trade ...	+·5	−4·5	−4·0	+4·8	+3·1	+7·9	−·1
7. Exports	−2·0	+4·1	+2·1	+7·1	−7·6	−·5	−·3
8. Imports	+5·1	−11·7	−6·6	−6·3	+1·1	−5·2	+13·2
9. Personal and Professional	+5·6	+2·1	+7·7	−·1	−3·0	−3·1	+4·7
10. Miscellaneous [a] ...	+12·7	+18·9	+31·6	+42·7	−31·6	+11·1	+3·0
Total ...	+50·4	−17·8	+32·6	+102·7	−69·5	+33·2	+110·1

[a] Includes bills discounted.

Source: Union Bank of Burma.

CHART NO 16

DIRECT LOANS BY GOVERNMENT

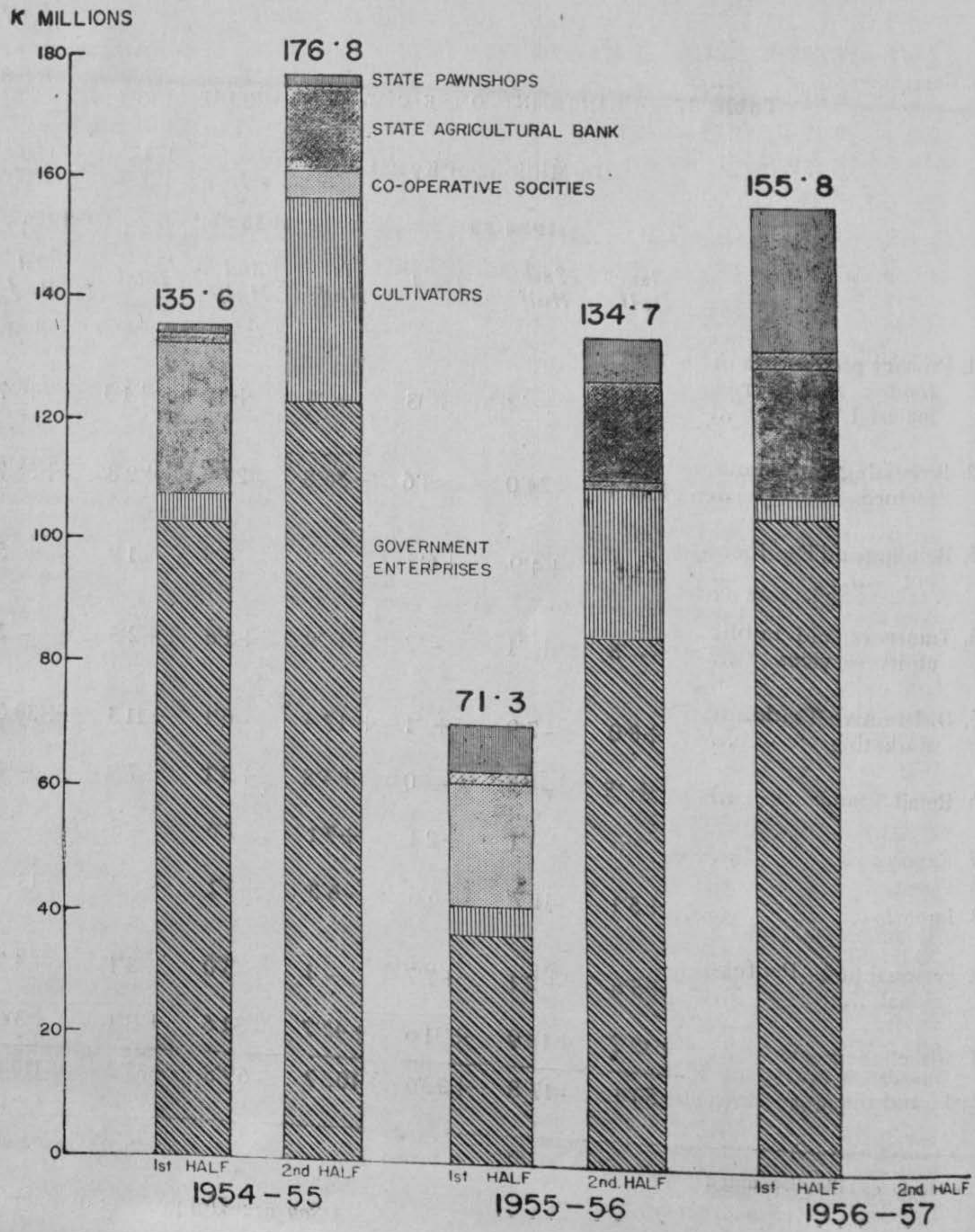


Table 38.—LOANS OF VARIOUS AGENCIES

(Provisional Actuals in Millions of Kyats)

		1955-56 1st Half	1955-56 2nd Half	1955-56 Total	1956-57 1st Half
I. Government	Gross [a]	71·3	134·7	206·0	155·8
	Net [b]	39·1	91·2	130·3	93·1
A. Direct Government Loans ...	Gross	61·2	110·0	171·2	130·6
	Net	45·5	76·3	121·8	100·0
1. Government Enterprises ...	Gross	36·7	82·4	119·1	103·6
	Net	36·7	82·3	119·0	98·5
2. Local Governments and Public Authorities.	Gross	·5	·3	·8	·1
	Net	·5	·1	·6	·0
3. Cultivators and Agricultural Credit Societies.	Gross	3·4	24·7	23·1	3·2
	Net	−3·2	4·2	1·0	−2·8
4. Co-operative Societies (other than Agricultural).	Gross	20·3	·5	20·8	23·2
	Net	12·4	−10·7	1·7	4·8
5. Loans to Government Servants.	Gross	·3	·6	·9	·3
	Net	−·4	−·1	−·5	−·3
6. Miscellaneous Loans [c] ...	Gross	·0	1·5	1·5	·2
	Net	−·5	·5	·0	−·2
B. State Agricultural Banks ...	Gross	1·0	17·2	18·2	1·4
	Net	−8·8	14·9	6·1	−13·5
C. State Pawnshops	Gross	9·1	7·5	16·6	23·8
	Net	2·4	...	2·4	6·6
II. Private					
A. Commercial Banks : Private Loans and advances ...	Net	102·7	−69·5	33·2	110·1

Source: Ministry of Finance and Revenue, the Union Bank, the State Agricultural Bank, and the State Pawnshop Management Board.

[a] Gross Loans—new loans extended during the period.
[b] Net loans—new loans less repayments during the period (repayments include both for new loans and for previous loans).
[c] To weavers, fishermen and other borrowers.

Government Lending.—Lending by the Government has again been stepped up. This is mainly due to the increase in the loans to Government Enterprises. The loan of K 104 millions (gross) to these enterprises is distributed as follows :—

	K million.
Industrial Development Corporation	25·0
Agricultural and Rural Development Corporation	21·5
National Housing Board	21·0
Electricity Supply Board	15·0
Special Projects Implementation Board ...	7·5
Mineral Resources Development Corporation ...	7·5
State Pawnshop Management Board	5·0
Tile Factory Board	0·6
Burma Research Board	0·5
	103·6

There is no appreciable change in the gross loans of Co-operative Credit Societies and the State Agricultural Bank. The number of State Pawnshops have been increased by twenty-one, hence the increase in the net and gross loans. It will be noted however that State Pawnshops are not a new source of credit. They only replace the privately owned pawnshops.

4. Prices

Consumer Prices.—Retail prices of goods and services purchased by low-income households in Rangoon, which had reached record high levels in mid-1956, were strongly influenced on the average by falling prices of textile products during the first three quarters of the fiscal year 1956-57. In the previous comparable 12 month period, June 1955 to June 1956, consumer prices had advanced about 10 percent.

The effect of the drive to improve supplies of consumer goods through increased imports was reflected most notably in the significant price reductions for textiles. From the first quarter of 1955 (just before the suspension of OGL) to June 1956, prices of textiles and apparel items had advanced almost 30 percent on the average. After announcement of the anti-inflation drive, retail prices of textiles paralleled those at the wholesale level falling almost 10 percent in the first two months and then rebounding to earlier high levels when expected improvement in supplies did not materialize immediately. As the volume of imports expanded, improved distribution to consumers by the Civil Supplies Management Board and quick deliveries of landed goods to retailers by the Central Wholesale Cooperatives and the Joint-Venture Corporations culminated in sharp price reductions in April, May and June 1957. Over these three months some

specifications of longcloth, haircord for women's longyis, nylon for jackets and other textiles fell more than 30 percent in price. One factor contributing to the decline in prices during the course of the year was the arrival of PL 480 commodities in good quantity.

Were it not for significantly greater than usual seasonal advances in prices of many important food items which occurred in the second quarter of 1957, the lower prices of imported goods may well have brought the level of consumer prices below its June 1956 position. Fresh fish, which is second in importance only to rice in the family food budget, increased almost 60 percent in price from March to June. Prices of groundnut oil and sesamum oil advanced 15 percent and 5 percent respectively from May to June to bring the price level of fats and oils to its highest point in years, 30 percent above the price of the previous year. Dried chillies were at double their normal price in June 1957 due to the extremely poor harvest. Prices of other food items were also higher or at their levels of a year earlier.

Mid-1957 prices of fuel and light, and tobacco and betel products were not significantly different from the prices of the previous year and bus and train fares, movie admissions and other consumer services were constant.

Wholesale Prices.—

Agricultural Products.—In April and May 1957, wholesale prices of agricultural products averaged about 10 percent higher than they were a year earlier. This increase reflected widely divergent price movements for individual commodities, ranging from a decrease of 14 percent for wheat to an extreme advance of 125 percent for chillies. Over the first eight months of the fiscal year (October 1956 to April 1957) the agricultural commodity price index increased 3½ percent compared to a decline of almost 9 percent in the corresponding period for the year 1955-56.

The cereals index, which includes paddy, wheat, millet and maize, decreased 4½ percent in the first eight months of the year. The price of paddy fell 6 percent in this period, wheat was down 35 percent, and maize was 7 percent lower, to bring May prices for these grains below their levels of a year earlier. But these decreases were largely offset by higher prices for millet which advanced over 40 percent from low prices which prevailed in the last quarter of 1956, and was 27 percent above its level a year ago in May.

Prices of pulses showed extreme variations in movement over the year. Pegyi prices fell 9 percent from April-May 1956 to April-May 1957, but gram was up 6 percent, and pegya increased 22½ percent. The price of pebyugale advanced 90 percent in this period to almost K 1,400 per 100 baskets, the highest level since 1953. High prices for most pulses reflected decreasing domestic supply due to below normal harvests and heavy demands for export to Japan, Pakistan, India and Malaya where crop failures had occurred.

The index for oilseeds advanced almost 14 percent from October 1956 to May 1957, compared with a decrease of 1 percent over the same period a year earlier. This advance was due primarily to an increase of about 60 percent in the price of sesamum which indicates a record price of K 2,950 per 100 baskets in May. Groundnut prices increased 3 percent over this eight month period but there w. s some decline in these prices between December and May. The higher oilseed prices are attributable in part to India's restrictions on the export of groundnut oil. Imports of groundnut oil from China were inadequate, and cocoanut oil imported from Malaya did not satisfy domestic demand for edible oils. Although domestic production of sesamum for 1956-57 was estimated at 55,000 tons, which is in excess of the tonnage produced the previous year, production of groundnut fell to 187,000 tons and high prices for the balance of the year are anticipated.

In the other foodstuffs category, prices of chillies in April-May 1957 were more than double their normal levels as a result of the very poor harvest from flood-damaged fields. Most of this advance occurred in the last six months. Onion prices were not significantly different and prices of palm jaggery were somewhat lower than in corresponding months of a year earlier.

April-May 1957 prices of cotton and tobacco were 16 percent and 19 percent higher respectively than in the same period 1956. Higher tobacco prices were stimulated by strong demand for locally grown varieties as arrivals of imports fell off. Cotton prices reflected shortages of Asiatic types of cotton primarily.

Textiles.—The first eight months of 1956-57 witnessed a spectacular drop in prices of textile products. In the previous fiscal year, prices of textiles had advanced rapidly following suspension of the Open General Licence early in 1955. By mid-1956 when the Government announced its anti-inflation programme, prices of textile items had more than doubled. The immediate effect of this announcement was to stabilize wholesale prices of textiles for the next few months and prices of some varieties were even reduced. However, with continued short supplies, earlier high price levels were quickly restored and most textiles were at or near record high prices in October 1956.

The volume of textile imports expanded rapidly thereafter, and it was estimated that imports during the first three months of 1957 amounted to about 40 percent of the total volume of textiles imported in the year 1956. Prices reacted dramatically to the improved supply situation. Wholesale prices of Japanese longcloth (16000) 36″ × 42 yards, fell from an October 1956 high of K 134 to K 84 in April 1957; Japanese poplin (4040) from K 132 to K 87, Indian white drill from K 245 to K 109, and Indian tussore from K 242 to K 121 in the same period. Other textile items showed comparable price declines.

Other Imports.—Large price reductions were also recorded for other imported items, especially toilet articles, paper products and photographic supplies which were added to the OGL list on October 31, 1956.

Table 39.—INDEX OF WHOLESALE PRICES OF AGRICULTURAL PRODUCCE

(Base : 1938—40 = 100)

Period	*All Commodities*	*Cereals*	*Pulses*	*Oilseeds*	*Other Foodstuff*	*Other Non-food-stuff*
Fiscal Year 1954-55 ...	444·4	323·3	525·7	667·7	617·4	848·3
Fiscal Year 1955-56 ...	461·7	318·8	602·9	687·1	887·2	815·5
Oct.—Dec. ...	484·4	335·4	614·0	690·8	935·9	841·8
Jan.—Mar. ...	442·4	295·8	638·8	621·2	872·9	837·9
Apr. and May ...	442·3	309·3	534·4	719·8	679·5	779·9
Fiscal Year 1956-57						
Oct.—Dec. ...	481·8	311·9	668·2	752·5	926·8	875·3
Jan.—Mar. ...	465·9	286·2	640·1	786·4	886·3	905·9
Apr. and May ...	485·5	303·9	650·0	790·4	916·5	956·1
Percentage change from April and May 1956 to April and May 1957 ...	+9·8	−1·7	+21·6	+9·8	+34·9	+22·6

PART ·II

DEVELOPMENT PROGRESS BY MAJOR GOVERNMENT PROGRAMMES

The preliminary estimates of Government investments (excluding Defence) during 1955-56 revealed a much lower level of total outlays, about K 34·9 crores compared with the programme of K 35·2 crores. Almost all general sectors in the Development Programme had registered varying shortfalls with the exception of Agriculture, Forestry and Constructions. The increases in the outlays in Agriculture and Forests were due to the deliberate efforts that had been made to develop the capacity for higher levels of exports of the agricultural produce and of timber. In the Construction sector, the increases were largely a reflection of the price inflation in the factor markets of construction goods. In the rest of the Programme, the general decline in the outlays was a combined result of shortfalls and of deferments and required by financial stringency.

The changes that were made in the Development Programme, were therefore directed towards minimizing the inflationary pressures in the economy and were generally emphasized on short run returns. The development of the existing export lines such as rice, timber and minerals together with the completions of factories that would produce consumer goods for the domestic markets was given priority over that of the longer term projects in Transportation, Industry and Power.

These operational changes in the Development Programme were subjected to certain variations of emphasis in the present year. For instance, additional emphasis is put on developing the exports, especially that of rice. A four-year project for paddy expansion has been introduced which, by bringing in more fallow lands under paddy cultivation and through variations in the farming techniques, will permit a higher level of rice exports beginning from next year. The Forests and the Mining sectors were also given more funds to increase the extractions and for improvement of the processing facilities.

In addition, most of the deferments in the Transportation and the Power sectors were restored largely because of a general easing of tension in the economy. The loans from the World Bank for purchase of the railways rolling stock and for reconstruction of the Rangoon harbour, partially lifted their immediate burden on the exchange resources, thereby permitting a larger allocation of funds to the Transportation sector for completion of projects on which the existing commitments would not permit further postponements.

The Industry sector, although still generally restricted to the completion of existing industrial projects, was also given sufficient means for integration and expansion of the cotton textile industry as well as for loans to assist the private industrialists in developing various domestic industries. The level of capital allocations for the Social Services was also been substantially raised as further continuance of the last year's austerity, especially in education and health, would only result in relinquishing the gains already made in these fields.

CHART NO. 17

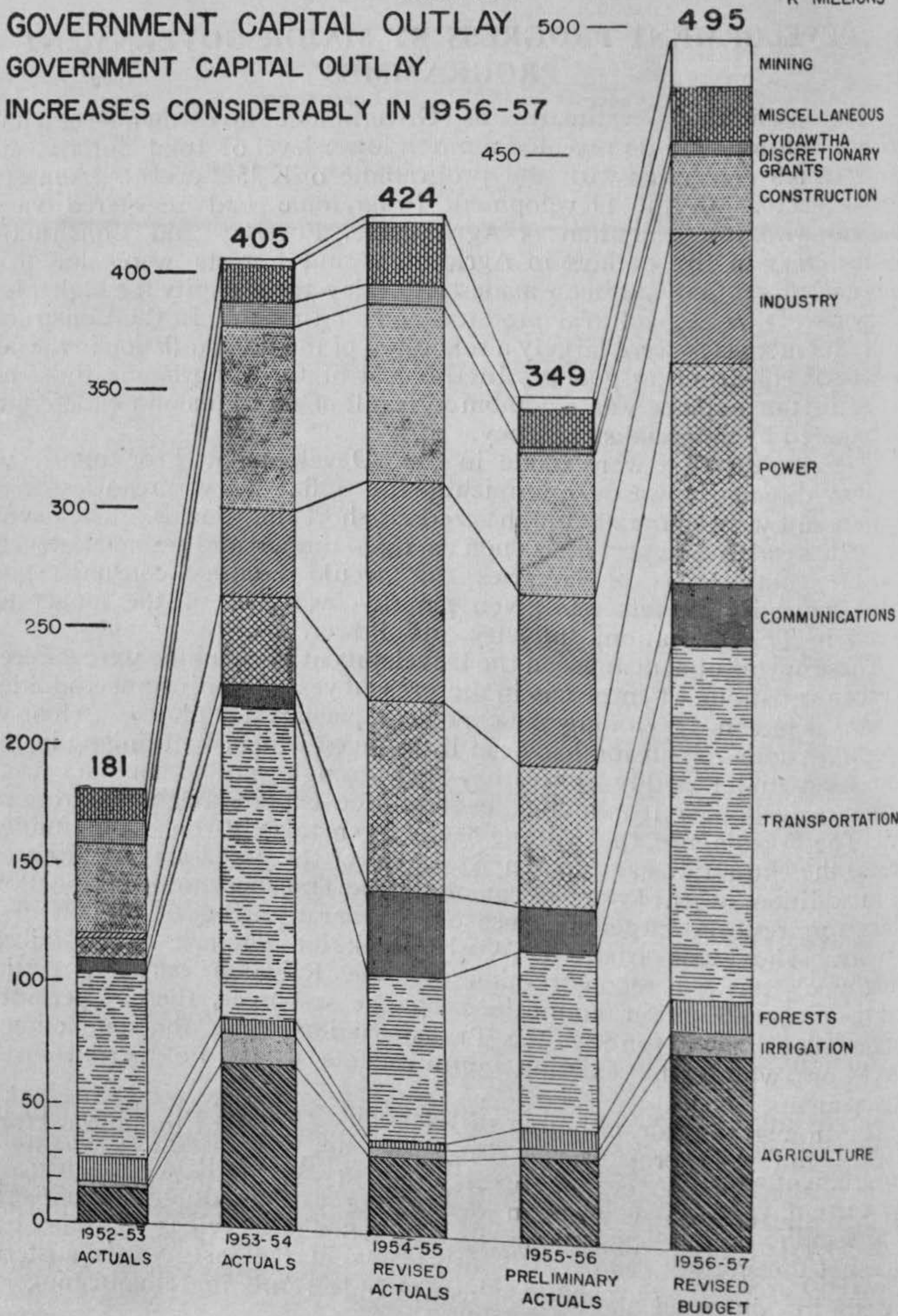

GOVERNMENT CAPITAL OUTLAY
GOVERNMENT CAPITAL OUTLAY
INCREASES CONSIDERABLY IN 1956-57
K MILLIONS
500
450
400
350
300
250
200
150
100
50
0
181
405
424
349
495
MINING
MISCELLANEOUS
PYIDAWTHA DISCRETIONARY GRANTS
CONSTRUCTION
INDUSTRY
POWER
COMMUNICATIONS
TRANSPORTATION
FORESTS
IRRIGATION
AGRICULTURE
1952-53 ACTUALS
1953-54 ACTUALS
1954-55 REVISED ACTUALS
1955-56 PRELIMINARY ACTUALS
1956-57 REVISED BUDGET

Table 40.—GOVERNMENT CAPITAL OUTLAY [a]

(In K Millions)

Sectors	Expenditures 1954-55 [b]	Expenditures 1955-56 [c]	Capital Expenditure Programme for [d] 1956-57
A. Agriculture	32·3	37·8	77·7
B. Irrigation	3·7	2·0	9·9
C. Forest	2·8	8·9	13·4
D. Mining	3·2	5·1	16·8
E. Transportation ...	66·3	73·1	146·8
F. Communications ...	37·4	17·9	26·2
G. Power	79·7	60·8	90·2
H. Industry	90·1	68·4	53·1
I. Construction	73·3	59·4	32·0
J. Pyidawtha Discretionary Grants	9·4	1·9	5·0
K. Miscellaneous including Social Services ...	25·9	16·6	23·9
Total ...	424·1	351·9	495·0

[a] The figures in the table are not directly comparable with the data in published capital budgets because the following Government capital outlays have been excluded, *viz.*, Defence, Joint Ventures, loans to agriculturists and working capital for the State Commercial Bank and the State Agricultural Bank.
[b] Revised Actuals.
[c] Preliminary Actuals.
[d] Estimates.

A. AGRICULTURE

Agricultural development is receiving progressively increasing emphasis in the Development Programme. This is reflected in the upward trend of Government annual capital outlays in agriculture for some years past. For the current year, the planned outlays on various agricultural projects total K 37·9 millions, about four times the amount invested last year and plainly in excess of the amount spent during the past four years from 1952-53 through to 1955-56. Almost one-half of this year's capital outlays or K 18·3 millions is provided for the Paddy Expansion Project.

Table 41.—AGRICULTURAL CAPITAL OUTLAYS [a]

(In K Millions)

	1952-53	1953-54	1954-55	1955-56	1956-57 Budget
Total Outlays	1·5	4·9	7·8	9·8	37·9
L.R.D.C. [b]	1·3	4·5	7·8	9·8	27·9
Agricultural Department ...	·2	·4	...	[d]	10·0

a Excluding agricultural loans and the expenditures of the State Agricultural Marketing Board.
b Land and Rural Development Corporation.
c Excludes estimates for irrigation works.
d Expenditures less than K 50,000.

Paddy Expansion Project.—The objective of the Paddy Expansion Project for this year is to increase the outturn of the 1958 rice crop by 250,000 tons over that of last year. It is estimated that the target can be achieved by bringing in 200,000 acres of abandoned lands under cultivation, and by increasing the yield on 178,000 acres of lands under existing cultivation. In turn, the development of these acreages call for jungle clearing and flood-control works as well as for enlargement and intensification of the scope and form of assistance offered under the agricultural extension works.

Out of the K 18·3 millions provided for the project this year, a large part is intended for such short-term works as the repair and reconstruction of earth embankments and water channels, and the purchase of draught cattle, water pumps and fertilizers. The remainder, about K 2·3 millions, is to be spent on the purchase of tractors and other mechanized farm equipment to be used for jungle clearing and ploughing in future years.

During the first half of the year, K 7·0 millions was spent mostly on cattle purchases and on reconstruction of earth embankments and clearing of water channels. In physical terms, about 168 miles of embankments and water channels were repaired or reconstructed out of the 300 miles of such works programmed for completion during the year. Jungles were also being cleared and fallow lands prepared for cultivation in five districts, *viz*: Pégu, Insein, Pyapôn, Bassein and Akyab. Farm equipment and draught cattle continued to be mobilized with 200 water pumps for irrigation ordered and over 3,000 heads of cattle purchased. In addition about 2,500 tons of fertilizers were being procured for distribution to the cultivators before the setting in of the monsoon rains. Arrangements had also been made to place orders abroad for a number of tractors and other farm machines which should arrive early next year. A number of field staff were also recruited and deployed to perform demonstrative and supervisory functions in the areas scheduled for development during the year.

Groundnut.—This is a self-sufficiency scheme and is aimed at obtaining an annual output of 76,000 tons of edible oil by gradually increasing the

groundnut cultivation in the country to 1·1 million acres. At present the cultivated area under groundnut is estimated as 825,000 acres. The scheme is operated at the margin by having monetary and other incentives offered to the cultivators to expand the cultivated acreage. These usually take the form of cultivation loans and seeds being made available to the cultivators. Also appropriate market conditions are created by the Land and Agricultural Corporation purchasing the groundnuts for distribution as seeds. This mode of operating the scheme therefore requires relatively large amounts of operational finance rather than large-scale direct investments. For the current year, K 4·2 millions is provided for seed purchases, loans and superintendence, and K ·2 million for direct capital outlays. During the first half of the year, K 3·2 millions were spent on loans and seed purchases, and a very negligible amount on capital facilities. In terms of physical work, about 213,000 baskets of groundnuts were purchased and distributed to the cultivators in eight agricultural districts by the Land and Rural Development Corporation.

Other activities during the period consisted of arrangements made for storage of seeds in areas which suffered from chronic seed shortages especially at the sowing time, and in transporting river silt to several areas in the Magwe and the Meiktila districts where the increasing acidity of soils had rendered silt mixture essential for increasing the yields of the groundnut crops. Preliminary surveys had also been made for growing of groundnuts in the Shan, the Kayah and the Kachin States, but the findings so far were still tentative for any concrete plans to have been framed for their development.

Cotton.—The objective of the Cotton Project is to substitute the existing wagale variety of cotton, now widely grown in the country, with the Mahlaing 5 (M5) species. It is estimated that out of the 400,000 acres usually grown with wagale, about one-quarter or 100,000 acres is now grown with the M5 variety. The limitation to rapid expansion with the superior variety appears to lie in the need for close supervision and for maintaining proper safeguards to prevent deterioration of strain through cross-pollination or mixture with the inferior varieties while under plantation or in storage.

At present, a large part of the activities in the project consists in maintaining the 100,000 acres under M5 cotton through having attractive prices offered for the M5 cotton which is purchased by the Government for the Spinning and Weaving Factory at Thamaing, and by making M5 cotton seeds readily available to the cultivators. The seed purchases are also supplemented by growing the M5 cotton for seeds on a number of State cotton farms. During the current year, K ·27 million will be spent mostly on the development of the State cotton farms.

During the first half of the year, preparations were made to grow the M5 cotton for seeds on 2,290 acres of State farm-lands, for which nurseries were prepared, irrigation facilities improved and fertilizers were purchased. The Soviet agricultural experts also participated in these preparations by taking soil tests of the farm-lands and by rendering advice on the improvements to the irrigation works. Land surveys were also made by the Soviet experts for the establishment of a 5,000 acre State cotton farm in the Meiktila district.

Jute.—Growing of jute on a large scale in the country has been beset with difficulties. Although the Land and Rural Development Corporation has set targets for jute cultivation and outturns so as to make available adequate quantities of raw jute for processing at the Government Jute Mill, the results so far have not come up to expectations. The reasons for this can be traced to the numerous obstacles that usually attend the introduction of a new plant. Lack of a traditional pattern of production and the disproportionate cost-output relationships were the major disruptive factors which had prevented the targets from being realized. However, despite the short-comings, a foot-hold has been established because it is estimated that about 5,000 acres of jute lands currently exist in the country.

During the current year, the agency intends expanding the jute area to about 9,000 acres mainly in the Maubin and the Toungoo districts. As of the end of March 1957, seeds, fertilizers and pumps were under procurement for distribution to the cultivators, and tractor assistance was given for ploughing the fields in several areas. Plans were also made to develop State-owned seed farms in the Maubin district.

Tobacco.—The activities in the Virginia Tobacco Project are confined not merely to the growing of Virginia tobacco in the country, but also include the development of processing and other facilities. The latter consist of tobacco curing barns, training of personnel and purchase of equipment for research in the different types of tobacco so as to obtain appropriate blends currently in demand by the private manufactures of cigarettes.

During 1955-56, 3,500 acres were grown with Virginia tobacco mainly in the Pakôkku district and the Shan States, with a few hundred remaining acres distributed in the Mandalay, Henzada and a few other districts. Also 496 tobacco curing barns had been built of which 432 barns were located in the Shan States and the Mandalay and the Pakôkku districts. Private interests and co-operation in the project were clearly manifest because about half the number of curing barns that had been built, were undertaken by private individuals and firms. Training was also given to 581 persons in the blending of tobacco, and by the end of the year 85 persons had qualified as skilled workers in tobacco blending. In 1956-57, K 2·7 millions have been provided to carry out the work-programmes which include expansion of the tobacco acreage to 4,000 acres, construction of 150 new curing barns and training of 200 more persons in tobacco blending. During the first six months of the year, over 3,000 acres were sown with tobacco in nine districts. Of these, 2,096 acres were in the Mandalay and the Loilem districts. Construction was also in progress on 42 curing barns in several areas. Also training in tobacco blending was continued with 85 persons graduating as skilled workers from the training centres at Henzada, Lankei (Loilem district) and Mandalay.

Other Projects.—A number of other projects consisting of coffee, tea, rubber, coconut, etc., continue to be developed. Function-wise these projects are more akin to the extractive types of industries rather than to the strictly agricultural types listed in the foregoing sections. All these projects require little investments as the scope of the undertaking in each case, excepting the

coconut project which involves a considerable amount of finance for trading purposes, is relatively small. During 1956-57, K 6·9 million will be invested in these projects.

Farm Mechanization.—The mechanization of farming techniques especially for the cultivation of crops, is an essential pre-requisite for achieving efficiency in agriculture. However, the prohibitive initial outlays involved in acquiring large numbers of machines, and the difficulty of displacing the traditional techniques without an appropriate time-lag for adaption, render the task of mechanization a relatively slow process. The farm mechanization project has been in operation in the country for sometime now and sufficient ground-work has been laid for the project to be carried further. As of the end of 1955-56, a considerable number of tractors and other farm machines had been acquired, and three tractor maintenance stations were established in the Toungoo, Tharrawaddy and Pegu districts.

In 1956-57, K 5·7 millions is provided for purchase of 60 crawler-type tractors mainly for use in the opening up of new lands. Tenders for these machines have been already studied and selection made for placing of orders. In addition K ·5 million will be spent on the establishment of 7 more tractor maintenance stations in the following districts, *viz*: Myaungmya, Pyapôn, Maubin, Henzada, Hanthawaddy, Insein and Yamèthin. These districts are chosen because large-scale efforts are now being made in these areas for the development of various agricultural crops. All the seven stations were established during the first half of the year.

Agricultural Research and Extension.—It is obvious that the development of agricultural production cannot go very far without proper attention being given to research and extension activities. The Agricultural Department is therefore given K 3·8 millions this year to expand its activities in these fields. Re-organization and staff recruitment have been given approval. Also large quantities of machinery and equipment have been ordered from abroad. All these will permit a more comprehensive coverage of the research and extension programmes.

During the first half of 1956-57, a number of new buildings at the Agricultural Research Institute, Gyogon, was completed. Research activities at the Institute were, however, limited by a shortage of machinery and equipment which were still under procurement. For improvement of field-work, staff members were given training in various extension and pest control methods. Other activities, during the period, consisted of construction of ware houses at a number of farm stations to permit proper storage of seeds, and of machine experimentations to determine the relative efficiencies of the farm machines currently in use. Studies in commodity grading for setting of commodity standards to facilitate marketing were also continued.

Land Nationalization.—Land reforms through nationalization and redistribution of lands to the cultivators are continued as in the previous year. As of the 30th September, 1956, a total of 900,051 acres in 1,122 village tracts had been distributed to 105,663 cultivators in 68 townships in 30 districts. For the current year, 604,271 acres in 62 townships have been selected for

distribution to the cultivators in 32 village tracts. Upto the end of June 1957, 256,391 acres in 327 village tracts were distributed in 47 townships benefiting 35,469 cultivators.

Table 42.—PROGRESS IN LAND NATIONALIZATION AND RE-DISTRIBUTION PROGRAMME

		1953-54	1954-55	1955-56	1956-57
District	...	8	28	28	28
Townships	...	8	33	49	47
Village tracts	...	167	524	431	327
Acres distributed	...	142,390	433,653	344,516	256,391
Cultivators benefited (in family units)	...	19,385	48,740	40,363	35,469

Agricultural Credit.—At present the State Agricultural Bank is the main Government outlet for agricultural credit in the country because, in addition to its own loan business, it has also taken over charge of supervising the loans provided under the Agricultural Loan Act and by the co-operatives. The agency has therefore been required to increase its district outlets for extending the availability of Government agricultural credit to wider areas. Currently it has 20 district branches catering to 383 village banks.

Table 43.—NUMBER OF VILLAGE BANKS UNDER THE STATE AGRICULTURAL BANK

District Branches		1953-54	1954-55	1955-56	1956-57 (9 months)	Total
1. Henzada	...	10	16	17	2	45
2. Mandalay	...	17	10	...	...	27
3. Pegu	...	8	5	1	...	14
4. Insein	...	15	3	3	...	21
5. Myaungmya	...	...	17	13	...	30
6. Tharrawaddy	...	...	15	17	...	32
7. Kyauksè	...	...	10	6	2	18
8. Myingyan	...	...	7	39	17	63
9. Shwebo	...	...	9	10	34	53
10. Mônywa	...	...	...	3	4	7
11. Sagaing	...	...	...	10	6	16
12. Katha	...	...	...	16	6	22
13. Prome	...	...	...	2	3	5
14. Hanthawaddy	...	...	...	6	6	12
15. Amherst	...	...	...	3	2	5
16. Toungoo	...	...	...	...	3	3
17. Pakôkku	...	...	...	...	4	4
18. Thayetmyo	...	...	...	...	3	3
19. Maubin	...	...	...	...	1	1
20. Taunggyi	...	...	...	...	2	2
Total	...	50	92	146	95	383

The method of loan administration as applied by the State Agricultural Bank is based largely on the principle of "collective responsibility" which requires the village banks and the co-operatives to provide cover for their individual member borrowers. That this method has a salutary effect on the recovery of loans has been proved by the loan statistics reproduced below.

Table 44.—LOANS ISSUED BY THE STATE AGRICULTURAL BANK

(In Millions of Kyats)

	1953-54		1954-55		1955-56		1956-57	
	Loans Issued	Recovered	Loans Issued	Recovered	Loans Issued	Recovered	Loans Issued	Recovered
1. *Village Banks—*								
Kaukkyi loans ...	1·2	1·2	3·5	3·2	5·3	4·3	7·6	6·6
Kaing loans	0·1	0·1	0·3	0·2	...	...	0·8	0·7
Short term loans	*Nil*	*Nil*	*Nil*	*Nil*	a	a	a	...
Sugar cane loans	*Nil*	*Nil*	*Nil*	*Nil*	a	a		...
2. *Co-operative Societies—*								
Kaukkyi loans ...	3·8	3·7	8·2	6·5	8·7	7·0	9·6	8·8
Kaing loans ...	0·2	0·2	0·5	0·4	0·3	0·2	0·2	0·1
Cattle loans ...	*Nil*	*Nil*	a	a	...	...	0·1	...
Sugar loans ...	*Nil*	*Nil*	*Nil*	*Nil*	0·4	a	0·7	...
Total ...	5·3	5·2	12·5	10·3	14·7	11·5	19·0	16·2

a Less than K 50,000.

During 1955-56, the total amount of loans provided to the agriculturists dropped somewhat reflecting the Government's financial stringency at the time, which had required a curtailment in all forms of Government expenditures. However, during the current year, a more liberal amount has been provided so that the Government operations of agricultural loan finance can be kept in better consonance with the expansion of other Government activities in agriculture.

Table 45.—GOVERNMENT LOANS TO AGRICULTURISTS

(In Millions of Kyats)

Years		*Agricultural Loans Act*	*Land Improvement*	*Tenants of Government Estates*	*Cooperatives*	*State Agricultural Bank*		*Total*
						Cooperatives	*Village Banks*	
1945—52 (av)	...	26·9	0·3	0·4	5·8	*Nil*	*Nil*	33·4
1952-53	...	40·4	0·2	0·7	13.9	*Nil*	*Nil*	55·2
1953-54	...	34·1	...	1·0	14·0	4·0	1·3	54·4
1954-55	...	26·9	...	0·8	11·9	8·7	3·8	52·1
1955-56	...	16·2	0·2	0·3	11·3	9·4	5·6	43·0
1956-57	...	20·0	0·1	1·2	15·0	10·5	8·5	55·3

State Agricultural Marketing Board.—While the expansion of paddy production is being pursued with vigour, the improvement and expansion of rice milling and marketing facilities have also been receiving attention. The State Agricultural Marketing Board has been conducting a programme for developing these facilities. During 1955-56, the Board completed two new rice mills each of 32-ton capacity at Pazundaung (Rangoon), with a third mill under construction at Kyaukpyu. A new project was also launched for building 390 paddy godowns of which 200 units were of Polish design. As of the end of the year, 66 godowns had been constructed and prefabricated materials for 15 Polish godowns were received. Arrangements were also made to procure 80 barges for use as paddy transports of which 40 barges would be ordered from abroad and the remaining 40 built locally.

The 1956-57 programme provides K 28·5 millions for a more extensive development of the milling and marketing facilities. The milling capacity will be augmented either by construction of a new 200-ton capacity rice mill or by re-opening the two large foreign-owned rice mills in the Rangoon area, which can be purchased from their owners. However, the choice between these alternatives will be determined by the technical studies to be made in the near future. Financial assistance is also to be given to the millers who wish to improve or expand their mills, and K 1·4 millions have been provided this year for disbursement as loan to the millers. Additional storage capacity is also being created by completing the remaining godowns in the godown construction project of 1955-56. During the first half of the year, 61 godowns were completed bringing the total numbers completed in the project to 127 units. Also prefabricated materials for 165 units of Polish godowns were received during the period. To improve the export quality of rice, 6 commodity grading plants will be purchased. This will first require a pilot plant to be installed to determine the suitability or adequacy of the type of machinery to the conditions prevailing in Burma. The project is

however still receiving study. The programme also requires mechanization of the handling and stacking operations at the mills and in the warehouses. A number of tractors, trailers, fork-lifts, etc., is therefore scheduled for procurement. Also to facilitate shipping of rice, the Ahlone No. 2 wharf is scheduled for construction with the help of a loan from the World Bank.

B. IRRIGATION

The expansion in agriculture also requires increased outlays on irrigation. During 1956-57, two Government agencies, *viz*: the Irrigation Department and the Land and Rural Development Corporation, will together spend K 17·9 millions on a number of new irrigation works as well as on improvement and renovation of some existing ones. The Irrigation Department's activities are being hampered by a shortage of engineers and attempts made for recruitment of a number of foreign engineers have not been successful so far. However some partial relief has been felt owing to engagement of some foreign experts to advice on some dam projects and on pump irrigation ; and in contracting out of investigations, as well as supervisory consultants and construction, to foreign firms. The programme of works for 1956-57 consists of a number of embankment works, construction and improvement of a selected number of dams, canals and tanks as well as of afforestation and pump irrigation schemes.

a. *Embankment Projects.*—During the current year, re-alignment and strengthening of segments of embankments have been continued on the eastern side of the river Irrawaddy from Payagyigone to Pauk-In, a distance of 78 miles. These embankments offer protection from floods to about 500,000 acres of cultivable lands. Also the embankments between Kwinkauk and Hmangone villages are being strengthened with partial completions already effected on several sections. On the others, consisting of flood control and river training works located at Myitmaka, Labutta, Thôngwa and Henzada, preliminary works and surveys are currently under progress.

b. *Dams.*—Several dams are being considered for construction this year, whilst the dams at Kyetmauktaung and Thitson (Yamèthin district) are under active survey by the Russian Experts. On most of the projects, excepting the Kabo Dam project, the work so far undertaken is still in the preliminary stage of surveys being made and of cost estimates being prepared.

Kabo Dam.—This is an emergency project. The Kabo weir which serves as the main feeder for the Shwebo and Ye-U canals, was severely damaged by the floods in October this year. The weir, and the head-work of the canals have to be reconstructed before the canals can be safely used again for irrigation of the neighbouring area which is estimated as 300,000 cultivable acres. The first work involved the construction of a temporary coffer dam around the destroyed section of the weir and the excavation of a temporary diversion channel to carry water into the Shwebo canal. Two foreign engineering firms have been engaged on the reconstruction work since the end of 1956. A large part of this work during the first half of 1957 was the construction of the coffer dam and the diversion channel and on the

preparation of designs for the permanent works. Sufficient construction was effected to permit complete use of the two canals during the present year monsoon.

Alaungsithu Dam.—The projects consists of construction of an earth dam of height of over 60 feet and 1 mile length, together with permanent escapes and outlet structures. Work was started on the project during November 1956 and by the use of heavy earth-moving machines it has now been completed to enable irrigation waters to be let down during this season. It is a small project which would irrigate about 4,000 acres of land but it is in an area where the standard of living is very low and water supply is vitally needed for the land to support a crop.

Canal and Tanks.—The repairs and improvements are continued on a number of canals and water tanks this year. On the Sama canal the viaduct has been partially completed while the construction of the canal for the Trans-Samon is still proceeding. Also the re-modelling of the weir to the Kinda canal (Kyauksè district) and the repair to the flood-gates of the Nyaung-gaing Myaung (Prome district) are continued. Several major water tanks including the Bomba and Kadin tanks in the Kyauksè district, Myakan in the Myingyan district and the Nyaungyan-Minhla tank in the Meiktila district, are undergoing repairs and reconstruction.

Other Projects.—During the current year, the afforestation of the Popa area in the Dry Zone is continued with the drilling of wells for ascertaining the water levels in various places. Pumps are also being purchased for distribution to the cultivators in the Popa area and the Yamèthin district to enable them to expand their cultivations.

C. Forestry

The development of the Forest Sector is but one facet in the overall need for developing the country's exports. At present, the timber exports, particularly those of teak, are about one-third of the pre-war level of 450,000 cubic tons. The State Timber Board has therefore been operating a programme of expansion which requires the saw-milling capacity to be increased to obtain a higher level of timber exports, and a corresponding development in facilities to boost the rate of extraction from the forests.

During 1956-57, the agency is investing K 10·4 millions distributed roughly in proportions of one-third each on the saw mills, on the facilities for extraction and on inventories and staff amenities respectively.

Saw Mills.—As of the end of last year, the State Timber Board had six mills in operation with one other under construction at Moulmein. On a single-shift operational basis, these seven mills together possess an estimated 154,500 cubic tons, in milling capacity. It is expected that by doubling the working shifts, the milling capacity could be increased with substantial additions to the outturns for export. During 1956-57, the variations in the operational shifts at the mills will be exploited to the maximum feasible limit,

and currently a large part of the funds for the saw mills and for inventories are being used to permit such exploitation. The saw mill at Moulmein was completed in February and has been in operation since March of this year.

Extraction.—The major drawbacks to increasing the rate of extraction from the forests are the prevalence of insecure conditions in the forest areas and the inadequacy of the available equipment for felling of trees and transporting of logs. However, since last year the agency has been providing armed protection to the extraction teams in various forest areas. This year, wireless sets and more transport are under procurement to provide improved communications and mobility to the field staff. Mechanized extraction units are also being introduced because trials have proved them as good substitutes for elephants, which had formed the bulk of the extraction power in pre-war days, but which have since declined in numbers to about one-sixth of their pre-war total of 6,500. Currently the agency has one mechanized extraction unit in operation and is acquiring more machines for creation of additional units.

Conservation and Research.—The conservation of forests through provision of fire protection, re-plantings, and demarcation of forest areas, is the responsibility of the Forest Department. In the post-war period, the department has been handicapped in carrying out these functions due to a lack of security in the forest areas. However, efforts are being made to restore normal functioning of forest supervision in several areas which have been freed from the insurgents. The department is also undertaking a programme of research in various commercial uses of the forest produce. Mangrove, turpentine and lac are some of the items on which research is currently under progress. Plans have also been made to establish a Forest Research Institute at Thamaing to integrate and give directional pattern to the research work.

D. Mining

Large-scale explorations and surveys are still required to determine the extent of Burma's mineral resources. Even those resources that are currently under exploitation such as oil, tin and wolfram are relatively under-developed, and considerable restorations of extraction and processing facilities are necessary to bring up their production to the pre-war levels. At present, the Mineral Resources Development Corporation is engaged on direct exploitation of certain minerals such as coal, tin and wolfram, as well as on surveys for zinc, iron and copper. The agency is also assisting the private prospectors in their search for minerals. A few foreign firms which had held mineral interests in the country in the past, have also been called in to operate co-jointly with the Government in the extraction of oil, tin, wolfram and lead.

Coal.—During 1955-56, the Mineral Resources Development Corporation spent K 1·4 millions on coal, machinery, and transport equipment for developing the Kalewa coal fields. At present, two collieries are in operation but their outputs are still relatively small averaging about 25 to 30 tons per day. The agency however intends stepping up the coal production to about

1,000 tons per day by 1960, and therefore more machinery and transport equipment are scheduled for procurement under the Four-Year Plan.

One drawback in the Kalewa coal is that it tends to fragmentize when ignited. This tendency can be rectified by compacting the coal into bricks with the use of a binding compound. A briquetting plant of 20-ton output capacity is therefore under plan for procurement during the current year.

Tin and Wolfram.—The Mineral Resources Development Corporation's extraction of tin and wolfram is confined to the Yadanabon mines (formerly the Namyen mines) in the Mergui district.

During 1955-56, a considerable amount of constructions was effected in the mining area including completion of a water storage dam, an access road to the mine-heads and a number of staff quarters and godowns. The re-metalling of the Pyigyi-Mandaing-Yadanabon road was however still under progress with partial completions effected on several sections. As end of April 1957, the work on this road was still progressing. Also because of the water shortage in the mining area during the first half of this year, several mines had to be closed down, but galvanized iron pipes were laid to bring the waters from the Namyen falls about 6 miles distance from the mines.

Zinc.—Lough Keng in the Mong Pawng State (S.S.S.) was believed to possess a considerable amount of zinc ore deposits. However, exploratory drillings in the area have proved that the reserves did not justify erection of a smelter to treat the ores. As without a smelter, the transportation costs of the untreated ores would be prohibitive, it would not be possible to develop the Lough Keng deposits on any large scale.

Copper.—Exploratory drillings have proved that the reserves are too small for economic exploitation. The Simbo project has therefore been abandoned. Investigations for copper in Mônywa district are at present being conducted.

Iron.—Investigations in Pang Pet, east of Taunggyi, have proved that the area possesses about 30 million tons of iron ore reserves. Arrangements are under progress to develop these deposits. Explorations for iron ore deposits are also under progress in the Maputeh islands of the Murgui Archipelago. The reports of iron ore deposits in the Kyaukkyi area in the Toungoo district are also being investigated.

Yenangyaung Oilfield Rehabilitation Project.—The abandoned oil wells in the Yenangyaung area can still produce small quantities of crude oil, and the local population in the area eke out their living by operating these wells either manually or with the help of crude machinery. In the past, for lack of sufficient demand for crude oil in the country, the incomes of these people had been usually very depressed. Recently, by way of a relief measure, the Mineral Resources Development Corporation has been purchasing the crude oil output from this area, which averages about 10,000 barrels per month. About 2,000 persons are currently engaged on operating these wells.

Joint Ventures.—The Government has formed joint-venture enterprises with three foreign firms for the development of tin, lead, zinc and oil in the country.

1. *Burma Corporation (1951) Limited.*—The joint venture agreement with the Burma Corporation Limited was signed in October 1951 for the development and operation of the Bawdwin mines which produce lead, zinc silver and small amounts of other minerals including gold. With the gradual easing of the insurgent's activities, the development and operation of the mines have been stepped up. Up to the end of January 1957, the Government has received K 5·1 millions as its share of the operational profits.

2. *Burma Oil Company (1954) Limited.*—The agreement was signed with the Burma Oil Company Limited in January 1954 for the development of the oil industry in Burma. This new enterprise has since been operating the Chauk and the Lanywa oilfields. It is also building refining facilities and conducting explorations and surveys for fresh sources of oil in the country.

a. *Refineries.*—In March 1957, the new refinery at Syriam was brought into operation. This had required a stepping-up in the oil outputs from the Chauk and the Lanywa fields, which were transported to Rangoon by the Inland Water Transport Board oil barges specially procured for this purpose. Currently the oil refined at the Chauk and the Syriam refineries averages over 7,000 barrels per day which is more than double the output of a year ago.

b. *Oil development and prospecting.*—The reconnaissance seismic survey in the Delta area around Maubin was completed in April of this year. The information collected by this survey is being studied and while this is being done, plans are under preparation in advance of the outcome of the study, to drill a deep test well in the area. At Ondwe near Yenangyaung the test drillings have revealed the existence of underground gas in the area. However, it is not yet possible to assess the value of this discovery until further tests, over a period of time, have been made. The test drilling work is still continuing in the area.

3. *Anglo-Burma Tin Company (1956) Limited.*—The agreement for this joint-venture was signed in July 1956. At present, the new enterprise is conducting open cast mining operations at Heinda in the Tavoy district. The production of tin concentrates is, however, still below expectations because of the need to rehabilitate the mining equipment and the power facilities in the area. The insurgents' activities and transportation difficulties are believed to be particular handicaps in the rehabilitation and operation of the mines.

E. Transportation

Large strides have been made during the past few years in rehabilitating the transportation systems in the country. This is reflected in the fact that the capital outlays on transportation have been maintained at relatively high levels over the years accounting for about one-fifth of the total Government expenditures on the Development Programme since 1953-54. Amongst the

transportation systems, the Railways and the Inland Water Transportation have received a preponderant share of the development funds, the two systems together having absorbed over one-half of the total outlays on transportation during the past three years. This is understandable because, aside from the capital intensive nature of their facilities, the Railways and the Inland Water Transportation systems still remain by far the largest and the most developed amongst the transportation systems in the country.

Table 46.—CAPITAL OUTLAYS ON TRANSPORTATION

(In K Millions)

	1953-54	1954-55	1955-56	1956-57 (Estimates)
Railways	41·6	16·9	27·0	62·9
Inland Water Transportation ...	7·2	21·9	26·3	21·7
Coastal Shipping	11·7	7·2	0·8	5·1
Rangoon Harbour Development ...	4·9	6·8	1·8	38·6
Marine and Lighthouse ...	20·9	9·4	5·3	3·2
Airways	2·9	0·9	4·9	8·8
Airfields and facilities ...	5·4	3·3	7·0	6·5
Government Motor Transport ...	a	a	...	...
Total ...	94·6	66·4	73·1	146·8

a Expenditures less than K 50,000.

Railways.—In recent years, the railways programme is dominated by a need for renewal and improvement of its rolling stock consisting of locomotives, carriages, wagons and miscellaneous other mobile equipment. The out-moded state of a large part of the railways rolling stock and the losses sustained over the years through insurgents' activities are sufficient and compelling reasons for the current emphasis on rolling stock procurement. A large part of the railways budgets of 1955-56 and 1956-57 has therefore been allocated for outlays on the rolling stock items which also include new diesel locomotives and other composite units for the Railways Dieselization Scheme.

1. *Rolling Stock :*

   a. *Dieselization Scheme.*—Under this Scheme 6 diesel electric locomotives and 8 three-car diesel trains are currently on order from abroad. These new diesels will both improve the train time-schedules and provide a desirable addition to the traction-power on busy lines without the usually attendant traffic congestions. The 6 diesel locomotives are expected to be delivered before the end of 1957. A new diesel shed for the maintenance of the new diesel locomotives is also being built in the Rangoon station yard.

b. *Carriages* —75 new passenger carriages have been placed on order since 1955. Of these 16 carriages were delivered in 1955-56, and the remaining 59 carriages are scheduled for delivery during the current year. Also 31 carriages are currently under construction at the Myitnge and the Insein workshops.

c. *Wagons.*—Wagons procurement is at present the largest single component in the railways rolling stock programme. During 1955-56, 610 wagons and 12 rail cars were delivered from abroad and 135 wagon bodies were built locally. During the current year, 1,250 wagons and 12 mobile cranes are under procurement out of which 640 wagons and 12 mobile cranes were delivered during the first half of the year. Also 145 wagon bodies were being built on contract of which 120 units had been completed by the end of March 1957.

2. *Tracks.*—During the current year, the relaying of rail tracks from Toungoo to the north with new and heavier rails is continued as in the previous year. Out of some 40 miles of tracks scheduled for relaying this year about 16 miles had been relaid up to the end of March 1957. Rail renewals in the Mu valley along the the Upper Chindwin are also continued with rails and other materials collected at the sites.

3. *Structural Engineering Works :*

a. *Bridges.*—A number of minor bridges was repaired or rebuilt during the first half of the current year. The reconstruction of the Sittang bridge was also under progress with pillar foundations built and construction continuing on the earth embankments for the rail beds.

b. *Other Structural Works.*—During the first half of 1956-57, 20 way-side stations had been renovated or re-built with work progressing on 5 more stations. Also 190 staff quarters had been constructed during the period.

4. *Miscellaneous.*—Installation of improved signalling equipment is a major component in the railways miscellaneous programme. During the first half of 1955-56, 8 railway stations had been installed with new signalling apparatus out of the 24 stations that are scheduled for installation in the project. Automatic telephone systems were also installed between Rangoon and Kemmendine and Rangoon and Insein.

Inland Water Transportation.—The programme for rehabilitating the riverine transport is operated by the Inland Water Transport Board. The current status of this programme is more advanced on the vessel procurement side than on the development of the maintenance and other shore facilities. However, attention is now being given also to expanding and improving the workshops and the dockyards.

1. *Vessels.*—During 1955-56, 50 "S" class passenger vessels and 4 "H" class shallow draught vessels for operation in the Upper Chindwin were purchased and put into service. Also 36 vessels for transport of crude oil

from the Chauk oil-fields to the refinery at Syriam were put under procurement of which one tug and 4 oil barges were delivered last year. During the current year, 75 more vessels are scheduled for delivery from abroad. Up to the end of March 1957, 42 of these vessels had been delivered. The details of the vessel-procurement programme for 1956-57 and its status as of 31st March 1957, are given in the table below :—

Table 47.—I.W.T.B.s' VESSEL-PROCUREMENT PROGRAMME (1956-57)

Type of Vessel		*Programme*	*Deliveries as of 31st March 1957*
Quarter Wheelers (large)	...	5	5
Quarter Wheelers (small)	...	3	...
Double-decked launches	...	3	...
Powered barges	...	3	...
Pusher tugs (B O.C. oil traffic)	...	5	5
Pusher barges (B.O.C. oil traffic)	...	26	22
Cargo flats	...	30	10
Total	...	75	42

2. *Dockyards.*—Plans have been made to expand the dockyards at Dallah and at the Rangoon Foundry (Ahlone). Existing slipways are to be reconstructed and expanded and the work shop facilities improved. Currently soil tests are made for location sites and the construction materials placed on order.

Shipping.—The Union of Burma Shipping Board has in its possession 4 sea-going vessels. These vessels are operating the coastal trade between Rangoon and Akyab and the external trade between India and Burma. During 1956-57, no new sea-going vessels are scheduled for procurement although proposals have been made to acquire two more sea-going vessels under the Four-Year Plan.

The agency is also engaged on rehabilitating the Arakan flotilla vessels. At present, 22 vessels including 3 passenger launches are under procurement from Japan and it is expected that these vessels will be delivered next year. In addition, a new dockyard is under plan for construction at Akyab. Currently the choice of location and the equipment and material requirements for the building of slipways are being investigated by the agency.

Rangoon Harbour Development.—The Rangoon harbour development is continued as in the previous year. During 1956-57, a number of new vessels is scheduled for procurement for the harbour flotilla. Also the reconstruction of the wharves and other berthing facilities is to be continued including the Ahlone No. 2 rice wharf for which and for a few other items a loan of $ 14 millions was negotiated from the World Bank last year.

a. *Flotilla.*—The project for flotilla rehabilitation contains 38 new vessels. Up to the end of last year, 7 new vessels were delivered. During 1956-57, 29 vessels are scheduled for procurement out of which 8 vessels had been delivered up to end of April 1957. On most of the remaining vessels, specifications and other preliminary arrangements are still under preparation and therefore it is not likely that any substantial deliveries will be made during this year beyond the 8 vessels already delivered.

b. *Wharves and Equipment.*—The reconstruction of the Nos. 5, 6 and 7 Sule Pagoda wharves is continued with the demolition works completed and the preliminary constructions begun on the foundations. On the No. 2 Ahlone rice wharf, the survey is still continuing although a few minor site improvement works have been completed. A number of cargo handling machines which were placed on order last year has also been delivered.

c. *Miscellaneous.*—A number of miscellaneous projects for fore-shore development is currently under progress including the development of the former Bullock estate in Ahlone. This area is being developed to serve as an open loading and un-loading site for the State Agricultural Marketing Board rice.

Marine and Lighthouse.—

a. *Vessels.*—A project for replacement of the vessels used by the Customs, the Police and other Government administrative branches was in operation since 1952. Up to the end of last year, 115 river launches had been built of which 9 vessels were built locally and the remainder delivered from abroad. No provisions have been made for new constructions this year. However, work is being continued on the 19 launches at the Dawbong dockyard, which represent mostly carry-overs from the previous year.

b. *Dockyards.*—Dockyard improvement at Dawbong is continued as in the previous year. During the first half of the current year, 3 new slipways were completed.

Airways.—Air-travel within Burma is a post-war development. The popularity with the people of this quick means of travel is attested to by a rapid growth of domestic air-services since their first introduction in 1948. During 1957, the Union of Burma Airways will have 3 new 48 passenger Viscount aircraft added to its operational fleet. These aircraft will release a number of re-converted Dakota aircraft from the agency's external services. The released aircraft will meet part of the aircraft shortage on the domestic air services and permit an improvement in the air service schedules. In addition, 3 more new aircraft are under plan for procurement and the funds for these purchases are included in the Four-Year Plan.

Airfields and Facilities.—In Burma, outside of a few large towns, the airfields are mostly of the fair-weather type, that is their use is limited to the dry-weather periods thereby depriving the inhabitants of most district towns of the means of rapid travel during the long monsoon months. To overcome this restriction, the Government has been building a number of new airfields with permanent run-ways throughout the country. Radio and other safety

facilities are also installed at these new airfields to provide safe and easy travel to the people.

During 1956-57, the Civil Aviation Department has 9 airfields under construction at various district towns and a large airfield at Mandalay under plan. Of these, three airfields at Prome, Thayetmyo and Putao will be completed during this year. On the remaining airfields construction will be sufficiently completed this year to permit their opening for use in the coming year. At Mandalay, the site for re-location of the new airfield is being acquired and it is expected that the construction of the run-way will begin next year. In addition, the agency has completed the new terminal building for the Rangoon airport and has had it opened to air passenger traffic since January 1957.

F. Communication

The improvement of communications is of outstanding importance for the maintenance of security in the country as well for the development of intra-regional trade. The Government has therefore been developing the telecommunication and the road systems of the country for some years past. However, due to the existence of a large amount of out-moded equipment and facilities that need renewal and the sporadic attacks by the insurgents in the outlying areas, the rehabilitation work has not been able to advance as fast as can be desired.

Telecommunications.—The Telecommunications department is currently undertaking a progamme for rehabilitating the telephone and telegraph installations in the country. It has already under implementation a project for automatization of the Rangoon telephone system on which the underground cable installations and the telephone exchange buildings have reached substantial completions. The new telephone system will be ready for service by 1958. The agency is also developing the internal and the external radio communications. A micro-wave radio network covering the Delta area is under construction with radio centres being built at Twante, Wakèma, Maubin, Myaungmya and Bassein. The installation of an external radio telephone link for world-wide communications is also receiving attention. Building sites have been selected for construction of a transmitting station at Thingangyun and a receiving station at Syriam. In addition to these activities, the agency has a considerable amount of materials and equipment on order for the rehabilitation of the up-country telephone trunk lines.

Roads.—The maintenance and development of roads outside of the municipal areas are under the charge of the Highways department. By the end of 1955-56, the agency had completed construction and improvement of the following roads :—

1. Sandoway-Kinmaw Road.
2. Kinmaw-Taungup Road.
3. Shwebo-Mahananda-Tank Road.
4. Insein-Koluni-Mayangon Road.
5. Mandalay-Lashio-Bhamo Road.

During 1956-57, the agency is continuing construction and improvement of roads in various areas on which varying progress has been recorded. In the Chin Hills area, four new roads are under construction consisting of a 72 mile road between Mindat and Matupi on which about 12 miles have been completed, a 36 mile road between Falam and Haka with about 4 miles of roadway already built, a road between Gangaw and Haka on which over 3 miles have been built out of the 65 miles in the plan, and a 52 mile road connecting Hkamti and Lahe on which partial completions have been already effected. In the Chin Hill area, a 50-mile stretch of the Lumbang-Tiddim road is being re-aligned and widened with about 25 miles completed. The No. 2 stockade Fort White road is being reconstructed with initial work beginning from this year.

The major road projects in other areas consist of improvement of the Taungdwingyi-Natmauk-Magwe road, a distance of about 60 miles on which partial completions have been made ; and also of construction of a 110-mile all-weather road over the Arakan Yomas connecting Prome and Taungup on which over 14 miles of roadway were completed up to the end of April 1957.

G. Power

The programme for electric power development is continued as in the previous year but the rate of progression on various projects has increased in momentum. At this rate of progress, it is expected that practically all the power stations and the transmission networks in the Diesel Electrification Scheme will be completed by 1958. Also on the Hydro-electric Scheme substantial completions have been effected on a number of facilities including the earth work for the foundation at the 84,000 KW power station site at Lawpita.

Hydro-electric Scheme.—During 1955-56, a number of staff quarters and service buildings were completed at Baluchaung. The excavations for dam foundations and waterways at Lawpita were continued. During the first half of 1956-57, the excavation works were completed at the power sites and construction was started on the dams and the waterways. To facilitate transportation of materials and personnel, two roads, one from Loikaw to the Lawpita power sites and another between Loikaw and Aungban were built while work was continued on a third road joining Loikaw and Toungoo. Arrangements were also made for construction of the 230 KW transmission lines between Baluchaung and Rangoon, whilst surveys were conducted at several places for the location of pylon sites.

Diesel Electrification Scheme.—Under this Scheme, the more important parts of the country other than the Rangoon area are being electrified by having additional power plants and transmission lines installed. Upon completion of this Scheme some 31 towns will have 24,000 KW of electric generating power added. As of end of April 1957, 11 power stations had been built consisting of five 1,000 KW stations at Pegu, Toungoo, Prome, Tharrawaddy and Meiktila and six 250 KW power stations at Bassein,

Mandalay, Maymyo, Shwebo, Maubin and Thatôn. On the remaining twenty stations, construction was still continuing. The 462-mile 33 KW transmission networks around the six 1,000 KW power stations had been completed since last year, but work was still in progress on the 11 KV and 400 V secondary transmission networks at various places. It is expected that most or all of these networks will be completed before the end of the year.

The electrification of outlying small towns and villages with small diesel generating plants is also continued. Up to end of May 1957, over 240 small towns and 20) villages had already been lit up.

Rangoon Electric Supply Board is undertaking the electric power development in the Rangoon area. Under the agency's existing programme of development, a total of 35,000 KW of generating capacity will be added to the power installations in the area between 1953 and 1958. These power installations are located at Ahlone and at Ywama (Insein). Up to the end of April 1957, the agency had already installed 15,000 KW of additional generating capacity thereby raising the power availability in the Rangoon area from 28,000 KW to 43,000 KW. The following table shows the status of the agency's power programme as of 30th April 1957.

Table 48.—THE RANGOON ELECTRIC POWER DEVELOPMENT PROGRAMME

Power Stations	*Total Capacity Programme*	*Currently Available Capacity*
1. Ahlone Power Station—		
(*a*) Power Plants Capacity in 1953—		
2—10,000 KW sets	20,000 KW	28,000 KW
1—5,000 KW set	5,000 KW	
1—3,000 KW set	3,000 KW	
(*b*) New Power Plants—		
1—10,000 KW set	10,000 KW	...
5—1,000 KW sets	5,000 KW	5,000 KW
2. Ywama Power Station—		
(*a*) New Power Plants—		
2—10,000 KW sets	20,000 KW	10,000 KW
Total ...	63,000 KW	43,000 KW

H. INDUSTRY

There has been a shift in the emphasis in the Industrial Development Programme since last year. The short-period price inflation which appeared in 1955, indicated the necessity for early completion and operation of a number of consumer goods projects in the programme. This change in emphasis in the programme is continued in the current year with new projects either postponed or reduced in the scale of their undertaking. Also private industrialists have been offered greater opportunities for investment with loans and industrial machinery given to them under the Government hire-purchase and other schemes.

During 1955-56, three industrial plants were completed consisting of 2 sugar mills at Namti and at Pyinmana and a tea blending factory at Mandalay. During the current year, four more plants are scheduled for completion, *viz*: a jute and twine factory at Okkyin, a brick and tile factory at Danyingone, a pharmaceutical plant at Gyogon and a bleaching and dyeing plant as extension to the Government Spinning and Weaving Factory at Thamaing. All the four plants are located in the Rangoon area. Construction of the remaining projects is also continued of which the major ones are the steel mill at Insein, the new spinning and weaving factory at Thamaing (Rangoon), the cement factory at Thayetmyo and the sericulture projects. Loans disbursed to the private industrialists during 1955-56 totalled K 3·9 millions for 26 industrial undertakings. During 1956-57, the amount will be stepped up to K 15·0 millions.

The Jute Mill at Thamaing which has an annual output capacity of 24 million bags, was nearing completion by the close of 1955-56. The installation of machinery and construction of warehouses were completed during the early months of 1956-57 and the mill trial operations in January 1957. The mill has been in operation since and is currently producing about 12,000 gunny bags per day.

The Brick and Tile Factory at Danyingone has been designed to produce 6 million tiles and 4 to 8 million bricks upon completion. As of the end of 1955-56 the factory was almost completed except for the two large kilns for baking of tiles and bricks. Currently construction is continuing on the kiln foundations and the brickwork. It is expected that sufficient completions can be effected for the kilns to undergo trial operations by July or August of this year.

The Burma Pharmaceutical Industry.—This plant is located at Gyogon (Rangoon) and has been designed to produce 500,000 gallons of pure alcohol, 350 million vitamin tablets and varying quantities of other pharmaceuticals. By the end of 1955-56 sufficient completions had been effected on the buildings and other installations for the plant to operate pilot production of vitamin tablets and other pharmaceuticals. Further completions have been made on the buildings and the machinery installations during the first half of 1956-57, and it is expected that the plant will be fully completed by the end of the year.

The Bleaching and Dyeing Plant is an extension of the existing Government Spinning and Weaving Factory at Thamaing. It will provide finishing touches to the textile output of the latter factory. The construction of the plant was begun last year. During the current year, the construction is continued with the main factory building and the delivery of machinery scheduled for completion within the year.

The Cotton Spinning and Weaving Factory.—This is a new plant with 20,000 spindles and 200 looms and is located at Thamaing. It is also a part of the scheme for the expansion of the textile industry in the country. During 1955-56, arrangements were made with the People's Republic of China for the supply of machinery. The construction of the factory building was begun in May of last year. As of 30th April 1957, most of the machinery had been delivered. Construction of the factory building was however still continuing. It is expected that the factory will be ready to begin production by 1958.

The Steel Mill at Ywama (Insein) has been planned to produce 8,000 tons of corrugated iron sheets, 3,000 tons of concrete reinforcing steel and 4,500 tons of wire products such as nails, screws, bolts and nuts, etc. It consists of an electric furnace for smelting and re-heating purposes, a rolling section for the preparation of steel ingots and two other processing sections for sheet rolling and for manufacture of wire products.

During 1955-56, the construction of the ingot rolling and the wire products section was completed. Construction is continued during 19 6-57 on the electric furnace and the sheet rolling section, both of which are expected to be completed before the end of the year. However, as technical difficulties are anticipated in the initial stages of operation, the mill is not likely to go into large-scale production until 1958.

To serve the Steel Mill with the necessary raw materials a stock-pile of scrap iron has been progressively accumulated at Thamaing over the last few years. As of end of April 19:7, this stock-pile had an estimated 48,100 tons of scrap valued at K 2·2 millions.

The Thayetmyo Cement Factory (Expansion).— This project is for expanding the outturn capacity of the Cement Factory at Thayetmyo from 60,000 tons to 180,000 tons of cement per year. Since the end of last year orders had been placed with an East German firm for the machinery and equipment for which delivery is still awaited. During the current year, the building site has been selected but the actual construction of the factory building will take place only towards the end of the year. The factory is expected to be completed within the next two years.

The Sericulture Project consists of mulberry cultivation and construction of a number of silk reeling factories and other associated facilities for the development of an indigeneous silk industry in Burma. As of the end of last year about 1,000 acres of mulberry plantations had been developed. A number of buildings had also been built including a silk reeling factory at Maymyo and three silk worm rearing houses at Maymyo, Myitkyina and Loikaw.

During 1956-57, 400 more acres are being planted with mulberry at Myitkyina, Maymyo, Taungdwingyi and Loikaw. Ten new silk worm rearing houses and cocoon drying plants are also being built at various places. As of 30th April 1957, one cocoon drying plant was completed at Myitkyina while the other at Loikaw was almost nearing completion.

Cottage and Small scale Industrial Projects are operated by the Government largely for training of skills and for demonstration and introduction of new and improved techniques in manufacturing and processing in the country. Currently ten projects are in operation at various places:

1. A sugar pilot project at Bhamo.
2. A condensed milk project at Maymyo.
3. A pottery plant at Moulmein.
4. A roofing tiles project consisting of three plants located at Moulmein, Kyaukmyaung and Prome.
5. A textile weaving centre at Amarapura.
6. A hand paper making project at Lashio.
7. A textile printing training project with centres at Amarapura and Rangoon.
8. An electroplating and anodizing plant at Insein.
9. A lacquerware manufacture project at Pagan.
10. A silk and rayon weaving project with training centres at Amarapura and Shwedaung.

Industrial Research.—The Union of Burma Applied Research Institute at Kanbe is currently operating a programme of research in various industrial and related fields. At present, the Institute possesses three laboratories of which one is still under construction, and a number of temporary buildings which provide office and residential accommodation for the administrative and technical staff.

I. Government Constructions (Buildings)

Large-scale construction of civilian dwellings and civic facilities such as schools, hospitals, community centres, etc., reached its peak in 1955-56. Since then financial stringency of the Government combined with the appearance of a small boom in house-building in the private sector, necessitated the Government to put a curb on its further expansion in this field. In 1956, the building programmes of the National Housing Board and the Highways Department were therefore limited to completions of the buildings already under construction at the time, while the remaining buildings in the programmes on which work had not yet begun, were carefully phased out into future years relative to their essentiality and costs.

Up to the end of September 1956, a total of 2,320 buildings had been completed with 1,980 buildings completed up to the end of December 1955. Of the 340 buildings completed during the first seven months of 1956, over 300 were civilian dwellings. During 1956-57, the Government building programmes are even more modest compared with those of the previous year. This is due largely to the sizeable completions already effected during 1955-56.

Urban Housing and Town Development.—During 1955-56, 557 civilian dwellings were built of which 93 buildings were located in the Rangoon area and 464 buildings, in the districts. This brought up the total completions as of 30th September 1956, to 2,020 buildings with 1,277 buildings completed in the Rangoon area and the rest in the districts. The 1956-57 building programme consists mainly of carry-over works from the previous years. Up to the end of April 1957, sizeable completions were reported to have been made at Rangoon, Minhla, Myingyan, Shwebo and Bassein.

School Constructions.—Out of 95 school buildings in the school construction programme, 76 buildings with total accommodation capacity for 31,400 students had been completed up to 30th September 1956 including 3 school buildings located at Magwe, Sandoway and Paungdè which were completed during last year. During 1956-57, 9 school buildings are under construction, and by 30th April 1957, four of these buildings had been completed.

Two more college buildings were built during 1955-56. These buildings consisted of an Intermediate College at Magwe and a State Training College for Teachers at Mandalay. A considerable number of ancillary buildings such as staff quarters and student hostels were also completed during the year.

During 1956-57, two new college buildings, *viz.*, the Engineering College on the Prome Road (Rangoon) and a Polytechnic on the Natmauk Road (Rangoon) have been completed while the construction of Extension to Government Technical Institute at Insein is currently under progress. Other activities in the programme consist of building of staff quarters and ancillary facilities for the colleges already built. A new college building for the University for Adult Education is also scheduled for construction this year.

Hospitals.—During 1955-56, 5 more hospital buildings were built bringing the total number completed to 12 hospitals since the start of the construction programme in 1953. During 1956-57, 10 hospital buildings are under construction with preparations being made to begin work on 9 others.

Table 49.—HOSPITALS

Location	*No. of Beds*	*Construction Status*
1. Mahlaing	25	Completed
2. Myittha	25	Do.
3. Yedashe	25	Do.
4. Tada-U	15	Do.
5. Pyawbwe	50	Do.
6. Ye-U	50	Do.
7. Wetlet	50	Do.
8. Myaung	50	Do.
9. Homalin	50	Do.
10. Insein	20	Do.
11. Falam	4	Do.
12. Conversion of S.T.T.C. into T.B. Hospital.	...	Do.

Location	*No. of Beds*	*Construction Status*
1. Madaya	25	Under Progress
2. Kyauksè	75	Do.
3. Pakôkku	75	Do.
4. Kyauktaw	25	Do.
5. Myingyan	75	Do.
6. Sagaing	75	Do.
7. Katha	75	Do.
8. Mindat	75	Do.
9. Haka	20	Do.
10. Rangoon (extension to Rangoon Dufferin Hospital).	20	Do.
1. Yamèthin	25	Preconstruction
2. Myohaung	50	Do.
3. Thazi	25	Do.
4. Wuntho	25	Do.
5. Mogôk	50	Do.
6. Zigôn	25	Do.
7. Kalemyo	25	Do.
8. Nyaunglebin	50	Do.
9. Akyab	200	Do.
10. Hkamti	...	...

Model Villages.—For rural rehabilitation and uplift, 40 model villages have been included in the programme for Country Development. Each of these villages consists of a common facility building to house the community centre and the dispensary, and another building for the village school. It also includes construction of roads and drains, and other environmental works. As of 30th September 1956, 12 model villages had been built. During 1956-57, 16 more villages are under construction with 5 nearing completion as of the end of March 1957. The remaining 12 villages in the programme are still under plan.

Table 50.—MODEL VILLAGES

District	*Village*	*Status*
1. Hanthawaddy	Thaiktugan ...	Completed
2. Pegu	Thayagon ...	Do.
3. Meiktila	Thapandwin I ...	Do
4. Meiktila	Thapandwin II ...	Do.
5. Shwebo	Thayetchan ...	Do.
6. Insein	Gyobyu ...	Do.
7. Prome	Teetut ...	Do.
8. Tharrawaddy	Gwedankkwin ...	Do.
9. Bassein	Kyaukchaunggyu ...	Do.
10. Minbu	Kywedi ...	Do.
11. Minbu	Gwecho ...	Do.
12. Kyauksè	Myaingmyo ...	Do.

District	Village	Status
1. Mandalay	Mandawya	Nearing Completion
2. Naga Hill	Hatti	Do.
3. Minbu	Kanthagyi	Do.
4. Tharrawaddy	Thagyigontawa	Do.
5. Sagaing	Daungkya	Do.

1. Mônywa	Aungchantha	Under Progress
2. Kyauksè	Daungkya	Do.
3. Naga Hill	Naga Hill	Do.
4. Myingyan	Sinpaukkwin	Do.
5. Pakôkku	Kyauksè	Do.
6. Katha	Aungsu	Do.
7. Katha	Tutkya	Do.
8. Tharrawaddy	Dutt	Do.
9. Chin Special	Mahti	Do.
10. Chin Special	Mindat	Do.
11. Thayetmyo	Chaunggauk	Do.

1. Toungoo	Indaing	Planning
2. Sagaing	Siti	Do.
3. Tavoy	Thabyechaung	Do.
4. Kayah State	Loikaw	Do.
5. Kyaukpyu	Konpanizan	Do.
6. Naga Hill	Katha	Do.
7. Chin Special	Falam	Do.
8. Tharrawaddy	Ohngwe	Do.
9. Kachin State	Mohnyin	Do.
10. Naga Hill	Daw Qwetti	Do.
11. Southern Shan State	Taunggyi	Do.
12. Aungban	Htichainkmyo	...

Office Buildings.—The War and its aftermath including the subsequent insurrection had destroyed a large number of Government office buildings in the country, which therefore needed urgent rebuilding to facilitate the administrative functions of the Government. Also as a result of the increasing Governmental participation in the economic and social affairs of the country in the post-war period, there has been an acute shortage of office accommodation in the Rangoon city. An office Building Programme has therefore been developed to meet these needs.

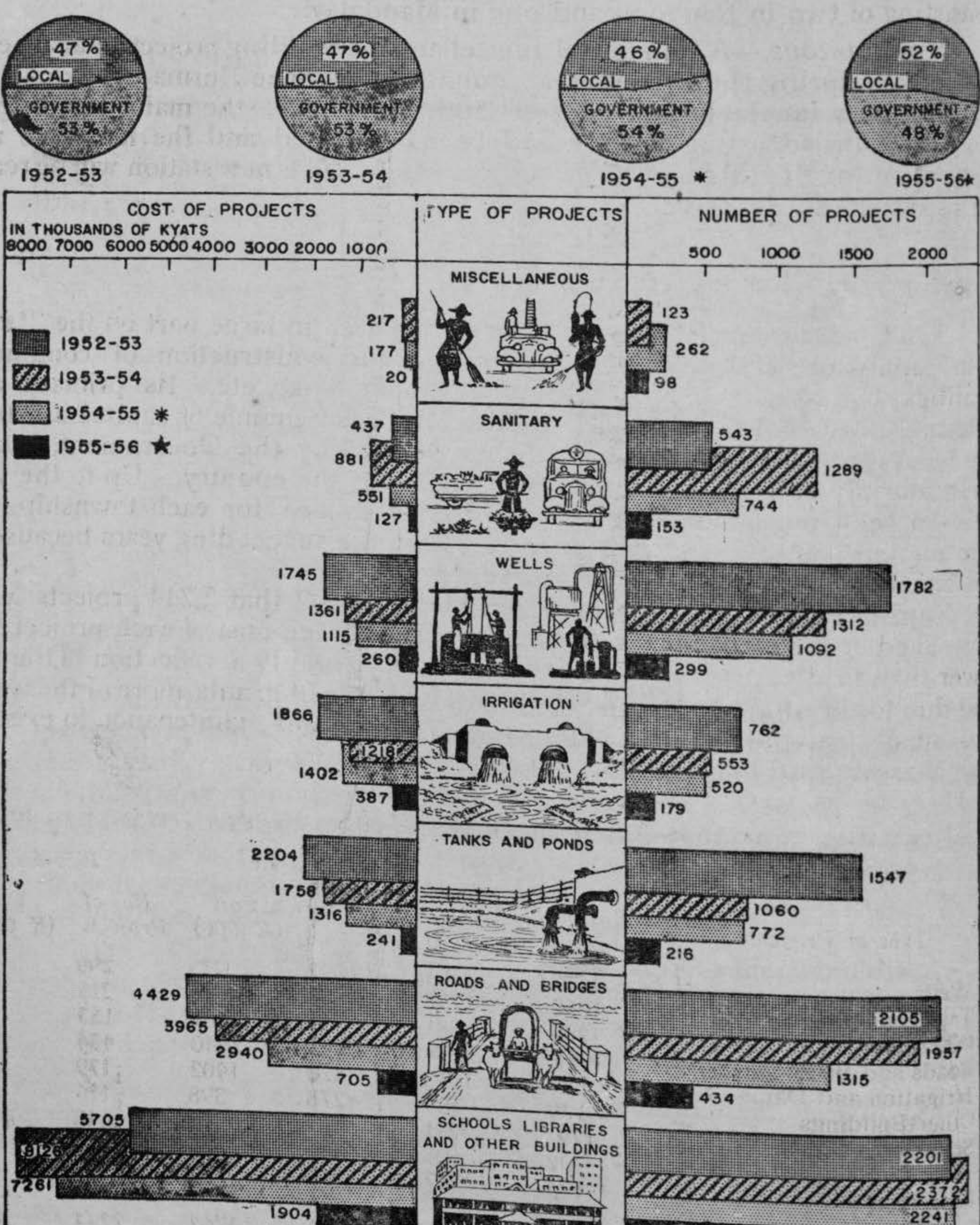
Up to the end of 1955-56, a total of 60 office buildings had been constructed, of which 10 buildings were in Rangoon and 50 buildings in the district towns. At present, 10 new office buildings are being built including a new 6 storeyed office building in Rangoon, which is nearing completion.

Bazaars.—The Yankinmyo bazaar building was completed last year. During 1956-57, work is continued on the 4 storeyed Bogale bazaar building near the riverside in Rangoon. Three other bazaar buildings have been planned for construction including the Baho bazaar near the Rangoon General Hospital. However, the construction of the Baho bazaar has to be postponed due to financial stringency.

CHART NO. 18

PYIDAWTHA DISCRETIONARY PROJECTS

LOCAL CONTRIBUTION HIGHER THAN GOVERNMENT IN 1955-56



✱ BASED ON REPORTS FROM 188 TOWNSHIPS

★ BASEDON REPORTS FROM 184 TOWNSHIPS

Godowns and other storage buildings.—A number of paddy godowns has been constructed for the State Agricultural Marketing Board by the National Housing Board and the Rehabilitation Brigade. As of the end of March 1957, 61 godowns had been built bringing the total completions to 127 godowns.

Labour Welfare Centres.—The status of the Labour Welfare Centres has remained the same as in the previous year, with three centres completed consisting of two in Rangoon and one in Mandalay.

Miscellaneous.—A number of miscellaneous building projects is also being undertaken during the current year amongst which the Burma Broadcasting building is by far the largest. As of 30th April 1957, the main building of the Burma Broadcasting Station had been completed and the materials and equipment for the furnishings placed on order. The new station will be ready for use by 1958.

J. Pyidawtha Discretionary Grants

The Government Pyidawtha Scheme is based in large part on the "self-help" approach and is confined mainly to the construction of communal facilities such as schools, roads, bridges, water tanks, etc. Its primary aim is to mobilise local resources for creation or maintenance of capital assets in the local areas through provision of grants-in-aid by the Government, which are uniformly apportioned for each township in the country. Up to the year 1954-55, the Government grant was K 50,000 a piece for each township but this amount has been reduced to K 10,000 in the succeeding years because of the financial stringency of the Government.

During 1955-56, the preliminary figures showed that 2,244 projects were completed costing over K 3·6 millions. The average cost of each project was lower than in the previous years. This was possibly a reflection of the fact that due to the sharp curtailment of the Government grants, more of the works with small financial requirements, such as repairs and maintenance to existing capital assets, had been carried out during the year.

Table 51.—Pyidawtha Discretionary Grants : Projects by Types, 1953-54 to 1955-56

Type of Projects	*1953-54*		*1954-55*		*1955-56*	
	No. of Projects	*Cost (K 000)*	*No. of Projects*	*Cost (K 000)*	*No. of Projects*	*Cost (K 000)*
1. Wells	1312	1361	1092	1115	299	260
2. Tanks and Ponds ...	1060	1758	772	1316	216	241
3. Other Sanitary projects ...	1289	881	744	551	153	127
4. Roads and Bridges ...	1957	3965	1315	2940	434	705
5. Irrigation and Dams ...	553	1218	520	1402	179	387
6. Other Buildings ...	179	309	278	398	116	157
7. Schools	1791	7211	1619	6328	648	1612
8. Libraries	402	606	344	535	101	135
9. Miscellaneous ...	123	217	260	177	98	20
Total ...	8666	17526	6944	14762	2244	3644

Although the total outlays in 1955-56 had been reduced compared with those in the previous years, the proportion of public contributions in cash, labour and materials had risen from 45 percent to about 52 percent. This shows that the public appreciation of the communal projects had remained strong.

T. ble 52.—PYIDAWTHA PROJECTS: EXPENDITURE BY DIVISION AND SOURCE 1955-56 [a]

No. Division		No. of Town-ships	No. of Projects	Total	Govern-ment	Public Contribution Total	Cash	Labour	Material
1. Arakan	...	14	110	171821	123856	47965	21184	19942	6839
2. Pegu	...	39	451	790670	363581	427089	294869	78373	53847
3. Irrawaddy	...	26	288	519044	245970	273074	211574	35213	26287
4. Tenasserim	...	19	127	271525	168417	103108	54142	36476	12490
5. Magwe	...	24	458	710265	267940	442325	63938	289278	89109
6. Chin Special	...	6	69	215253	59378	155875	13464	112508	29903
7. Mandalay	...	20	283	401996	188689	213307	83015	64273	66019
8. Sagaing	...	36	458	563610	320508	243102	103111	96221	43770
Total	...	184	2244	3644184	1738339	1905845	845297	732284	328264

[a] Preliminary returns—incomplete because the returns from 7 townships are still awaited.

K. HEALTH

Malaria.—In 1956 the Union Government spent K 1·2 millions for the control and suppression of this disease. The WHO and UNICEF are also providing assistance. The following action had been taken in 1956 :—

Number of houses sprayed	...	...	1·8 millions.
Number of out-houses sprayed	...	...	0·6 "
Population covered ...	...	...	8·7 "

The number of technical personnel employed totalled 1,541 exclusive of a larger group of non-technical persons such as labourers and clerks.

Tuberculosis.—The Rangoon and Mandalay clinics continue to operate. The Tuberculosis and Leprosy Relief Association has decided to donate K 4,50,000 to construct a second T.B. clinic in Rangoon. To get exact information on the prevalance of tuberculosis in Burma a programme for collecting statistics is to be undertaken in 1957-58. In 1956, 5,038 cases were detected by home visiting. The attendance at the Rangoon Clinic was 41,297 among these 547 were new cases. At Mandalay Clinic, there were 17,348 patients among whom 608 were new T.B. cases during the year 1956.

B.C.G. Campaign.—The B.C.G. Campaign is operating with 10 teams. In the year 1956, 878,399 Tuberculosis tests were done, of these 287,213 were vaccinated. In course of time the B.C.G. vaccination campaign will be handed over to the Urban and Rural Health Centre by the Health Department.

Venereal Disease Control.—The V.D. Control programme currently comprises 16 anti-V.D. teams, 7 in Rangoon and 9 in the districts. The total attendance at all clinics was 177,792 in 1956 as against 214,482 in 1955. Blood tests for V.D. totalled 124,802 with 18,956 positive results. In the year 1955 blood tests for V.D. totalled 117,181 with 17,486 positive results. It is intended to increase the number of teams to 22.

Leprosy Control.—Anti-Leprosy work is now in operation in 26 districts including Chin Hills, Naga Hills, the Shan and Kachin States. In 14 districts where the incidence of leprosy is high, wards for treatment of leprosy patients are attached to leper colonies. Contributions at the rate of K 20 per leprosy patient, are made by the Government to leprosy asylums.

Maternity and Child Health.—The target of this scheme is to open 500 Maternal and Child Health Centres. Drugs, milk-powder, fish oil, soap and other supplies were received from the UNICEF. During 1956, 345 voluntary societies were at work, of which 165 were registered and 137 received financial assistance from the Government. One hundred and sixty-three societies received UNICEF aid.

During the year 1956 Maternal and Child Health work was carried out by 151 Lady Health Visitors and 203 Midwives at 345 centres. At the parental clinics 43,437 expectant mothers were examined and 30,537 labour cases were conducted. Of 245,704 attendances at the baby clinics, all were examined. In addition to these centres two special Poly Clinics and 3 Mobile Units performed similar functions.

School health work has been conducted by the Government teams in 130 Rangoon schools and in other 14,429 urban schools. A total of 16,572 children were given treatment.

Health Education.—Seventeen Assistant Health Educators have been appointed up to the end of the year 1956. The following activities are conducted by the Health Education Bureau:—

(1) Production and distribution of health booklets, posters, health news;
(2) Cinema shows;
(3) Broadcasting on health matters;
(4) Inculcation of the consumption of under milled rice;
(5) Training for Health Assistants, Lady Health Visitors, Vaccinators, Anti-malaria Supervisors;
(6) Conducting refresher courses for Assistant Health Educators.

Environmental Sanitation.—Inaugurated in 1953-54, the Environmental Sanitation and Water Supply Board has up-to-date drilled 651 tube wells and distributed 6,681 latrine plates to the villages.

Hospitals and Dispensaries.—There are in the country 46 district headquarters hospitals, 170 township hospitals and 90 dispensaries with a total of 7,650 beds including the Rangoon General Hospital.

Five hospitals were completed in 1956 in Pakôkku, Sagaing, Katha, Ye-U and Myaung, while 6 hospitals are still under construction in Kyaukse, Yamèthin, Myingyan, Nyaunglebin, Madaya and Kyauktaw.

There has been an increase of 23,563 in-patients and 999,552 out-patients treated in all hospitals and dispensaries in 1956 when compared to 1955.

Urban Health Centres.—In Rangoon, Mandalay, Bassein and Moulmein, the Medical Child Health and School Health personnel were integrated and converted into public health centres. Three such centres are operating in Rangoon, three in Mandalay, two in Bassein and two in Moulmein.

Rural Health Centres.—Two hundred and ninety-six Rural Health Centres have been opened as against the target of 800 during the year under review.

Training of Medical and para-medical Personnel.—During the year, 94 students obtained M.B., B.S. Degrees, of whom 59 have been absorbed into services in the Ministry of Health. Out of 477 nurses who were under training during 1956, 85 were graduated. In addition, 314 midwives, 47 Lady Health Visitors and 107 "Lethes" also completed training. All the Lady Health Visitors and Midwives were absorbed in Rural Health and MCH Centres. At the Health Assistants Training School 82 were trained and 78 were graduated. Up to date a total of 363 have obtained certificates.

A total of 452 vaccinators successfully underwent training during the year 1956. Thirty-four compounders qualified during the year 1956 thus bringing the available number of trained compounders to 291. Similarly, 8 Laboratory Technicians and 4 Laboratory Assistants were trained during the year.

Arrangements are being made to begin training of X-Ray Technicians, X-Ray Assistants and Public Health Inspectors.

Distribution of Vitamin Tablets.—The total number of vitamin tablets distributed free of charge up to the end of 1956 is as follows :—

B. Complex	*A. and D. Tablets*
38,000,000	22,000,000

Indigenous System of Burmese Medicine.—Since the beginning of 1952 steps have been taken for the re-establishment and for the uplift of the indigenous system of Burmese Medicine.

This materialised with the passing of the Burmese Sesayas Act of 1953. The registration of Sesayas began from 1955 and still continues.

As a preliminary step towards systematic development of Burmese medicines and prescriptions thereof, 9 free dispensaries in Rangoon, 9 in Mandalay have been established. Annual average attendance of these dispensaries is 188,534 at Mandalay and 296,332 at Rangoon.

The Burmese Sesayas Act is also in operation in the States to which it has been extended. There is a programme also to establish training institutes, one at Rangoon and one at Mandalay.

L. Education

The opportunities for education at all levels have been extended to an increasing number of young people every year. In 1957, the student enrolments for primary, secondary and high school education as well as for technical and artisan training have more than doubled and in particular cases have about trebled since 1954.

Table 53.—Enrolment in State Schools in Burma

(1954—1957)

	1954	1955	1956	1957
Primary ...	737,400	1,003,400	1,155,800	1,522,187
Secondary ...	80,400	105,200	144,200	164,759
High School ...	23,200	29,800	31,700	68,001
Technical Institutes	200	400	600	590
Artisan Training ...	125	150	250	404
Teachers Training	5,900	2,600	3,600	4,325[a]

a Includes attendances at in-service training and refresher courses.

General Education.—One of the obvious effects of extending educational facilities to the rural areas is a preponderant rise in the student registrations at the primary and the secondary levels, reflecting a keen desire amongst the rural populace for literacy as well as an enthusiasm for the opportunities offered to their children for higher education. At present there are 10,715 primary schools and 458 secondary schools in operation in the country and plans have been made to open over 300 more schools during the course of the year. The teachers' training programmes have also been expanded and now include in-service training for existing teachers in order to obtain better aptitudes in teaching and at the same time to offer the lower grade teachers the prospect of advancement in their profession. The Directorate of Text-book production, with professional assistance from the Burma Translation Society, has been making more and more text-books available in the vernacular for lower level education. Up to May of this year, 44 text-books have been prepared in Burmese for use in the primary and the secondary schools.

Technical Education.—Considerable progress has also been made in the area of technical education. In July 1956, the new Technical High School was opened in Rangoon. This new school together with the two technical institutes at Insein and at Mandalay has, at present, 1,273 students enrolled for the regular technical courses, including 590 new enrolments up to June of

this year. This is a much greater advance compared with 775 enrolments at the technical institutes last year. In addition, 224 more students are currently enrolled for the extension evening classes which are held at the new Technical School in Rangoon for the benefit of working apprentices and other workmen in various trades. At the Government Technical Institute, Insein, special courses in mining technology and in leather tanning and working techniques are continued with assistance from the International Labour Organization. The student attendances at these courses have been good and plans have therefore been made to expand the training classes by procuring more equipment for training purposes. The Ford Foundation has also provided a part of the workshop and other technical equipment for these schools and is currently supporting a programme for training of instructors at the Dunwoody Technical Institute, U.S.A. The artisan and handicraft training is also continued as in the previous years. The three training centres, two of which are located in Rangoon and one in Mandalay, have 385 students enrolled during the current year.

University Education.—The student enrolments at the Universities up to July of this year totalled 9,494 compared with 12,491 enrolments last year. However the enrolment figure will increase when the results of the supplementary examinations are made known. Two more new courses, *viz.* an LL.B. course and a course for International Relations, have been added to the curriculum of studies this year at the Rangoon University. In addition, the Medical College at Mandalay has had the study courses extended to include the first part of the M.B., B.S. final class. A new separate building for social studies is being built in the Rangoon University campus and will be ready for occupation by the end of the current year.

Training Abroad.—During the current year, 289 state scholars are undergoing advanced training abroad. The annual induction rate for foreign training has averaged 100 scholars for the past four years, compared with about less than 12 scholars sent abroad annually for such training in the pre-war years.

M. International Assistance Programmes

During 1956-57, Burma continues to receive technical assistance in various forms from the special UN agencies, under the Colombo Plan assistance programmes and through bilateral agreements with other nations. The type of assistance requested and received comprises mainly services of experts, training of nationals and also materials and equipment for selected projects.

1. *Technical Assistance from the UN Agencies.*—The UN agencies have been providing Burma with the services of experts and the training fellowships for nationals on an increasing scale. During 1957, the UN Technical Assistance Board has allocated K 44·5 millions to meet the cost of technical assistance requested by the Union Government compared with K 24·3

millions allocated for such assistance in 1953. An agency-wise allocation of Technical Assistance Funds for Burma since 1953 is given in the table below :—

Table 54.—ALLOCATION OF UN TECHNICAL ASSISTANCE FUNDS IN BURMA

(In Millions of Kyats)

Agency		1953	1954	1955	1956	1957	Total	Percentage of Total
TAA	...	7·8	8·3	7·8	10·7	16·8	51·4	30
ILO	...	3·6	5·5	5·0	5·6	5·3	25·0	15
FAO	...	1·7	4·1	5·1	7·2	7·9	26·0	15
UNESCO	...	0·7	1·9	1·9	2·9	4·9	12·3	7
WHO	...	10·5	11·0	12·5	12·2	9·6	55·8	33
Total	...	24·3	30·8	32·3	38·6	44·5	170·5	100

The assistance received from the various UN agencies during the first half of 1956-57 is summarised below :—

a. *The Technical Assistance Administration (TAA).*—During the period, the group of experts working in Burma under arrangements with the TAA comprised 20. Their activities ranged over a variety of fields including those of industries, mining, management and construction. An industrial enonomist, a production engineer, a mechanical engineer, a textile expert and a steel plant consultant rendered technical advice to the Industrial Development Corporation and participated actively in various industrial projects. In Mining, a general mining expert, a hydraulic mining expert and a metallurgist worked closely with the Ministry of Mines and the Mineral Resources Development Corporation on the problems of mine operations and on explorations. A group of accountants was also engaged on formulating methods and procedures in cost and commercial accounting for use in the Government enterprises. The Building Materials Research was also continued and further progress was made in the testing of building materials, concrete technology and stabilised soil building construction. An experimental scheme for stabilised soil housing was started at Pagan during the period. An expert was also made available to assist the War Office in developing a project for the vocational training of disabled ex-service men.

b. *The International Labour Organization* (*ILO*).—The ILO supplied two experts to conduct lecture courses in mining technology and mine safety methods at the G.T.I. (Insein) and the Mining Engineering College. Another ILO expert was engaged on reviewing the means and methods for efficient upkeep of the construction machines belonging to the Highways department. The services of two consultants were made available for assisting the Co-operative department and the Social Security Scheme. The Diesel Training Centre at Dalla continued operating during the period with training given in marine diesels by the ILO instructors to the nationals and to students from other South East Asia countries.

c. *The Food and Agricultural Organization* (*FAO*).—The FAO provided several specialists to assist the Agricultural department and the Land and Agricultural Development Corporation in developing the schemes for farm mechanization, animal husbandry, crop grading and standardisation and rubber planting and processing. The S.A.M.B. and the Timber Board also received assistance from the FAO experts on marketing methods and procedures.

d. *The United Nations Educational Scientific and Cultural Organization* (*UNESCO*).—The training of teachers for primary and secondary education was continued during the period. The UNESCO also provided a consultant to the Union of Burma Applied Research Board for implementation of research in the manufacture of glass instruments for scientific use.

e. *The World Health Organization* (*WHO*).—The Malaria Control Scheme was continued with the WHO providing the services of one malariologist, one sanitarian and one entomologist. The WHO consultants and technicians also actively participated in the Government TB Control Scheme. The training of health assistants in environmental sanitation was conducted by a WHO expert at Aungsan Myo. Also the lecture courses on preventive medicine, physiology and pharmacology continued to be given to the students at the Medical College, Rangoon. The services of the WHO consultants were also made available for planning the organization of the Health Education Bureau and of the Central Medical Stores.

2. *The United Nations International Children's Emergency Fund* (*UNICEF*).—The UNICEF continued providing assistance for operating the programme of milk feeding of children at various schools and at the rural health centres and the maternity clinics. The BCG Vaccination Campaign and the Leprosy Control Campaign were also assisted by providing equipment and medicines for the operation of the campaigns. Other assistance of the UNICEF consisted of funds being allocated in support of the Malaria Control Scheme.

3. *The Colombo Plan.*—Up to the end of May of this year, the total value of assistance made available to Burma by the Colombo Plan member nations totalled approximately K 8·4 millions. The major contributors to this assistance were the United Kingdom, Canada, Australia and New Zealand. During the first half of the current year, substantial quantities of £ 81,000 worth of equipment for the Engineering College and the Technical High Schools were delivered from the United Kingdom. In addition some of the $ 85,000 of Canadian equipment for the Technical High Schools was also delivered during the period. Canada also agreed to supply Burma with a cobalt therapy unit for the treatment of cancer patients at the Rangoon General Hospital. A Hunting Air Survey Team from the United Kingdom was in Burma during the period conducting surveys on behalf of the Aerial Survey department. A number of consultants and teachers was provided by all the above countries to assist the Burmese educational programmes at all levels. Training fellowships continued to be provided as well ; and up to the end of May 1957, 467 scholarship awards had been made of which 157 scholars had already completed their training and had returned to Burma.

4. *The Ford Foundation.*—This private philanthropic organization has continued assisting Burma in the educational and cultural fields. It is currently supporting an economic research project in the Rangoon University, a Public Administration Service (PAS) project for the training of Government employees in management, accounting procedures and practices, as well as supporting advisory teams for the State Agricultural Institute at Pyinmana and the Government technical high schools. Various other educational programmes are also being sponsored by the Foundation including Fellowship awards to the University staff and visits of foreign scholars and lecturers to Burma. The Foundation has also financed the construction of a research library and administrative building for the International Institute of Buddhistic Studies at Kaba Aye. In addition, it has made arrangements to provide $ 600,000 to support the Burma Translation Society in conducting a Continuing Reading Materials Project which will provide cheap reading materials for the education of rural population in health, rural economy, civics, recreation and general culture.

5. *Special Agreements.*—Under the agreement with the USSR, a team of 14 Soviet agricultural experts and 6 interpreters arrived in Burma in December 1956. These experts are currently participating in several irrigation works as well as in the farm mechanization scheme, and are also conducting studies in soils and in agronomy. A further agreement was signed with the USSR in January of this year under which, in return for rice, the Soviet Government would build in Burma, a technological institute, a hotel, a 200-bed hospital, a theatre, a cultural and sports stadium and a number of buildings for agricultural and industrial exhibitions. Priority would be given to completing the first three projects. The Burmese nationals would be given training in the Soviet enterprises. Also some of them would be trained at places of higher education in the Soviet Union to qualify them as teachers for the new technological institute.

An agreement was signed between the Union Government and the Government of Israel in March 1957, for economic co-operation in the development of specific industries and of agricultural and construction projects, as well as in financing and management of joint-venture enterprises. Training and research activities were also included in the agreement. A four-man team of Israeli agricultural experts arrived in Burma in January of this year and has completed preliminary arrangements for the development of a 400-acre experimental farm near Kyaukme (NSS), where beans, groundnuts, cotton and jute will be grown. The results of this farm will form the basis for further development of the existing waste lands in the Shan States.

Under the existing "rice for technicians" agreement with the United States of America, the services of a number of foreign technicians have been procured for assistance in various fields of developmental activity including rice milling and marketing, timber marketing, irrigation, transportation, soil studies, etc. Also the study programmes of some 30 selected state scholars are being financed out of the funds allocated under this agreement for the training of nationals abroad.

N. Others

Prison Department.—Since 1950-51, five experimental model jails were opened at Rangoon Central Jail, Insein, Myaungmya, Bassein and Mandalay. During 1956, there was only one case of escape from the model jail as compared to 13 cases from other jails. Progress was being made in the prison reform measures in all jails. Handcuffing and iron-legging have been reduced to a minimum and a sentence of whipping is made only in the cases of assault committed against public servants and guests. Gunny-wearing as a form of punishment has been terminated in all jails and the use of ordinary shirts, printed longyis, combs and mirrors was permitted in the model jails.

Out of 35 jails, 27 were electrified and provided with pure water pots and water taps. Unlike pre-war days meat has been served twice a week. As a part of social reform in the prisons, jail libraries with a total of 16,393 volumes have been set up to cultivate reading habit among the prisoners. Compulsory education has been prescribed for the young and the illiterate. All prisoners suffering from T.B., venereal diseases and skin diseases are given careful medical treatments in Nyaung-Oo Jail and Rangoon Central Jail. The number of deaths in the jails has been appreciably lowered due most probably to the marked improvements in sanitation, personal cleanliness and medical facilities.

Necessary lectures and instructions were given at the Jailor Training School and Warders Training School in Insein Jail. For the training in the specialised prison administration, four officers of the Prison department were sent to Australia in 1956 under the Colombo Plan.

Relief and Resettlement.—The Ministry of Relief and Resettlement continued its works on relief and resettlement. The distribution of foodstuffs, textile clothings, cooking utensils and other household equipments

were made to the victims of flood, fire and gale in almost all Burma districts. Similar relief facilities were granted in the Karen State, the Kachin State and the Shan States.

Rice was distributed at cost, concession prices and free in the districts of Pakôkku and Kyaukpyu. The refugees from the insurgent areas were located at the refugee camps built and maintained by the government. Pyidawtha committees in the villages, towns and districts have participated in the resettlement programmes for these refugees. Transportation facilities, daily living expenses and clothings were extended to the civilians who came to peace according to the government's declaration.

Co-operation.—The department of co-operatives has opened a school in Rangoon for in-service training of officers of the Co-operative department and administrative personnel co-operative societies. In the districts, the local co-operatives have opened classes to acquaint the co-operative members as well as others who are interested in co-operation, with the methods or techniques of co-operation. Other activities of the co-operative department include the celebration of festival of World Co-operation Day, broadcasting and publication of books, pamphlets and monthly magazine on co-operation.

Seaman Employment Control Board.—The Seaman Employment Control Board was opened in March 1956 under the Ministry of Labour. Since the opening of the Board, 891 seamen have been registered amongst whom 558 seamen have regular employment. About 333 seamen were unemployed and anticipating employment. With a view to assure stable employment to all registered seamen the Board has started the shift system.

At present the Board is continuing its work on systematic selection and employment of seamen as well as on their training which includes courses in ocean navigation. The Board is planning to train more nationals as seamen to replace the foreigners.

Directorate of Fire Services.—The Directorate has a strength of 32 district fire officers and 32 assistant fire officers in 32 district fire offices throughout the Union. At present, there are 370 fire engines in the districts. Existing fire brigades are reorganized and new ones are also created in the districts. Compared to the Union's need of fire fighting, the fire services is still understaffed and the efforts are being made for the recruitment of qualified personnel. The directorate has trained three grades of fire fighting trainees and the total number of trainees as of 1956 is 6,398 elementary grades, 593 junior and 323 senior. During the year 1956, there were 408 Voluntary Fire Associations and 19,030 fire fighters.

Ministry of Social Welfare.—The Ministry of Social Welfare is currently engaged on board social programmes for promotion of social welfare in the country. During January 1957, the Fourth Anniversary of the Social Welfare Conference was held in Chawdwingone, Insein district, by the Union of Burma Council of Social Services. With a view to obtaining maximum social benefits, the council is promoting studies and seminars in education, research and training. The council has established several branches in the districts.

The Directorate of Social Welfare is continuing its social programmes during the year 1956-57. Under the supervision of the Directorate, the Union

of Burma Children's Welfare League has been established to promote the intellectual, social and moral advancement of its members and others. Day nursery centres have also been opened and steps are being taken to extend such facilities to districts as early as possible. The Government has contributed K 3·63 lakhs in the year 1956-57 to the Home for Waifs and Strays and like institutions. At present, there are about 200 boys in the Home, who are provided with proper shelter, food, clothing, vocational training and education. Also in the Model Institution for Girls, 158 girls are being given vocational training in weaving, knitting and embroidery.

Mass Education Council has already trained 345 organizers including 40 lady organizers. There are 119 centres in 11 districts namely Pegu, Toungoo, Yamèthin, Insein, Tharrawaddy, Prome, Hanthawaddy, Pyapôn, Myaungmya, Meiktila and Mandalay, and one centre each in remaining 21 districts of Burma proper, with 232 organizers, 11 district organizers and 6 regional organizers. In addition, there are 19 centres in the Chin Special Division, the Kachin, the Kayah and the Shan States with 36 organizers. Furthermore, 3 organizers are engaged on special duty for stimulating lay education in monastic institutions. Eight development teams, each consisting of 80 organizers (including 25 lady organizers) are working in the Chin Hills, the Naga Hills, the Kachin State, the Kayah State, the Arakan Hill Tracts, the Shan States, the Karen State and the Tenasserim Division.

The Veteran Rehabilitation Scheme is administered from a centre at Rangoon area by a committee with the Hon'ble Minister for Social Welfare as Chairman, and representatives from Veterans Association, Defence, Finance and Revenue, Education, Mass Education, Labour and Health departments. At present, 30 disabled veterans are being given training courses in typing, printing, book binding, block painting, draftsmanship, telephone operating, furniture making, paper box making, plumbing and the projector operating at the centre in Rangoon. Also courses in sewing, knitting, embroidery, book binding, paper box making, dyeing and printing are being arranged for the wives of the veterans. The Government has already provided funds for the construction of 15 double family units, a dormitory for single veterans, a hospital and temporary staff quarters.

The Rural Sanitation and Water Supply Board has directed its activities towards the supply of pure and wholesome water and the construction of model latrines in villages. Priority is given to drilling of artisan wells in districts. Up to the end of last year the total number of tube wells drilled was 1,427, squatting plates issued 60,559 and latrines constructed 11,470. The agency is also operating the Popa Scheme which has been designed to supply spring water to some 40 villages along Gwegyo and Nyaung-Oo Roads. Under this scheme, 412 tube wells have been drilled and also 1,650 squatting plates have been issued and 1,789 latrines erected during the current year to provide environmental sanitation facilities to the village people in the area.

PART III

ECONOMIC PROSPECTS FOR 1957-58

The proposed Budget Estimates constitute an important part of the total activity in the economy and have a profound bearing on such economic variables as the money supply held by the private sector. Nevertheless the estimates are still only a part of total financial activity, even of the Government. The financial operations of the Boards and Corporations must also be analysed so that an indication of the magnitude and effect of Governmental financial transactions as a whole may be clearly seen.

Table 55.—Proposed Budget of the Government of the Union of Burma, 1957-58

	(K Million)
Revenue Receipts	980
Capital Receipts	371
Total Receipts ...	1,351
Revenue Expenditures	940
Capital Expenditures	229
Total Expenditure ...	1,169
Surplus ...	182

The Comprehensive Budget of the Government Sector is therefore presented in the following table :—

Table 56.—Comprehensive Budget of the Government Sector

(K Million)

	1955-56 Actuals	1956-57 Revised	1957-58 Projected
1. *Receipts.*—			
(*a*) Revenue Receipts ...	738	885	980
(*b*) Capital Receipts ...	226	242	221
(*c*) Reparations ...	29	150	150
(*d*) Others : Boards and Corporations ...	1,658	2,002	2,024
Total ...	2,651	3,279	3,375
2. *Expenditures.*—			
(*a*) Current Expenditures ...	745	872	940
(*b*) Capital Expenditures ...	161	163	229
(*c*) Others : Boards and Corporations ...	1,859	2,307	2,255
Current Expenditures ...	1,537	1,944	1,917
Capital Expenditures ...	322	363	338
Total ...	2,765	3,342	3,424
Deficit ...	114	63	49

The deficit as shown in the last line of the above table still has no direct relevance to the question as to whether there will be inflation in the economy. The figures shown in that table whether for current or capital, or on receipts or expenditure account are totals of payments and receipts both within the economy and abroad. To measure the impact of these estimates in terms of inflation or deflation, they must further be broken down into payments abroad and at home. It is only the excess of expenditures within the country over receipts from domestic sources that determines whether there will be an inflation or deflation.

This cash deficit is shown in line 7 of the following Table No. 57. Government operations have added more to domestic demand than they have withdrawn. While this deficit has added to the privately held money supply, net purchases of foreign exchange and the increase in savings in the form of postal savings, time deposits, etc., by the private sector have reduced the money supply. The final additions to the total money supply through various financial operations in the course of the year are shown in line 11 of the following table :—

Table 57.—CASH CONSOLIDATED BUDGET OF THE UNION GOVERNMENT AND ITS EFFECTS ON PRIVATELY HELD MONEY SUPPLY

(K Million)

	1955-56 Actuals	1956-57 Revised	1957-58 Projected
1. Receipts of Union Government	2,651	3,279	3,375
2. *Less :* Receipts abroad	1,090	1,350	1,349
3. *Equal :* Domestic Receipts	1,561	1,921	2,026
4. Expenditures	2,765	3,342	3,424
5. *Less :* Payments abroad	487	565	575
6. *Equal :* Domestic Payments	2,278	2,777	2,849
7. Cash deficit with Private Sector	717	856	823
Less.			
8. Excess of private foreign payments over receipts ...	473	813	806
9. Net increase in private saving	+8	30	20
10. Contraction in bank credit	−33	−30	−30
11. Increase in private money supply	269	43	27

For the year 1957-58 total revenue receipts have been budgeted at K 980 millions, K 95 millions above last year revised estimates. This large increase in revenue is to be derived from an adjustment of customs tariff, an increase in foreigner's registration fees, improvement in the enforcement of income taxes and some other sources of revenues.

Current expenditures have been raised by 8 percent to K 940 millions from the level of 1956-57. A large portion of this increase will be spent under the heads for law and order. Under the prevailing conditions in Burma these expenditures are expected to yield large dividends in terms of increased production although they are generally considered as only contributing to output indirectly.

In 1957-58 loans from abroad totalling K 226 millions will be used to finance directly or indirectly the capital expenditures of the government. Reparations receipts are estimated to be K 150 millions.

The revised estimates of the year 1956-57 indicate that the increase in the privately held money supply will be larger than that projected in the Survey for 1956. This is because of the larger than estimated cash deficit of the government with the private sector. Much of this increase in the cash deficit has been absorbed by the increase in the excess of private foreign payments over foreign receipts. Otherwise the increase in the privately held money supply would be larger than the K 43 millions.

For the year 1957-58 it is projected that the cash deficit of the Government with the private sector will be lower than in 1956-57. Despite the higher imports, the excess of private paymemts over private receipts will be lower than in 1956-57 because of higher export earnings on private account.

Bank credit to private trade is expected to remain at the level which prevailed during 1956-57. But as the net change in private saving is expected to decline further still the net effect of these two factors will add about K 10 millions to the privately held money supply. The total increase in the privately held money supply is expected to be about K 27 millions.

On the basis of current economic condition and of the policy laid down by the Government, it is considered that the increase of K 27 millions in the privately held money supply will be absorbed by increased physical output in the economy without causing a rise in prices. Furthermore, for the year 1957-58 the Government's policy is being specially directed to expand the production levels in several parts of the private sector.

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